TRAKA RESOURCES LTD

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

Quarterly Activity Report

for the three months ended 31st December 2006

HIGHLIGHTS

Corporate:

- ***The recent one for three non renounceable rights issue to shareholders closed fully subscribed and raised $2,015,199***

Ravensthorpe Nickel Project:

(IGO earning 51%)

- ***A Mine Scoping Study is underway to assess the viability of mining a number of nickel sulphide prospects which have been subjected to significant drilling programs. These prospects may be viable as open pit operations.***
- ***A diamond drilling program has commenced in the Mt Short area. A number of coincident geological, geophysical and geochemical anomalies are being targeted in this drilling program.***

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Corporate:

A Pro-Rata Non Renounceable Rights Issue to shareholders of 1 new share for every 3 shares held was fully subscribed to and successfully completed during the quarter. The new shares were issued at 18 cents each and raised $2,015,199. The number of shares in the company now totals 44,782,202. The funds raised will be used to advance the companies exploration projects, evaluate new project opportunities and to meet ongoing administrative costs.

The Ravensthorpe Nickel Project:

(The Independence Group "IGO" Earning 51%)

Drilling:

A diamond drilling program commenced on the Mt Short area in late January (Figure1). This program is the continuation of an RC drilling program commenced last quarter but delayed by difficult ground conditions, drill rig availability, farmland cropping and wet weather conditions. The program comprises 10 holes, each testing geophysical targets which are coincident with favourable ultramafic units and/or soil geochemical anomalies.

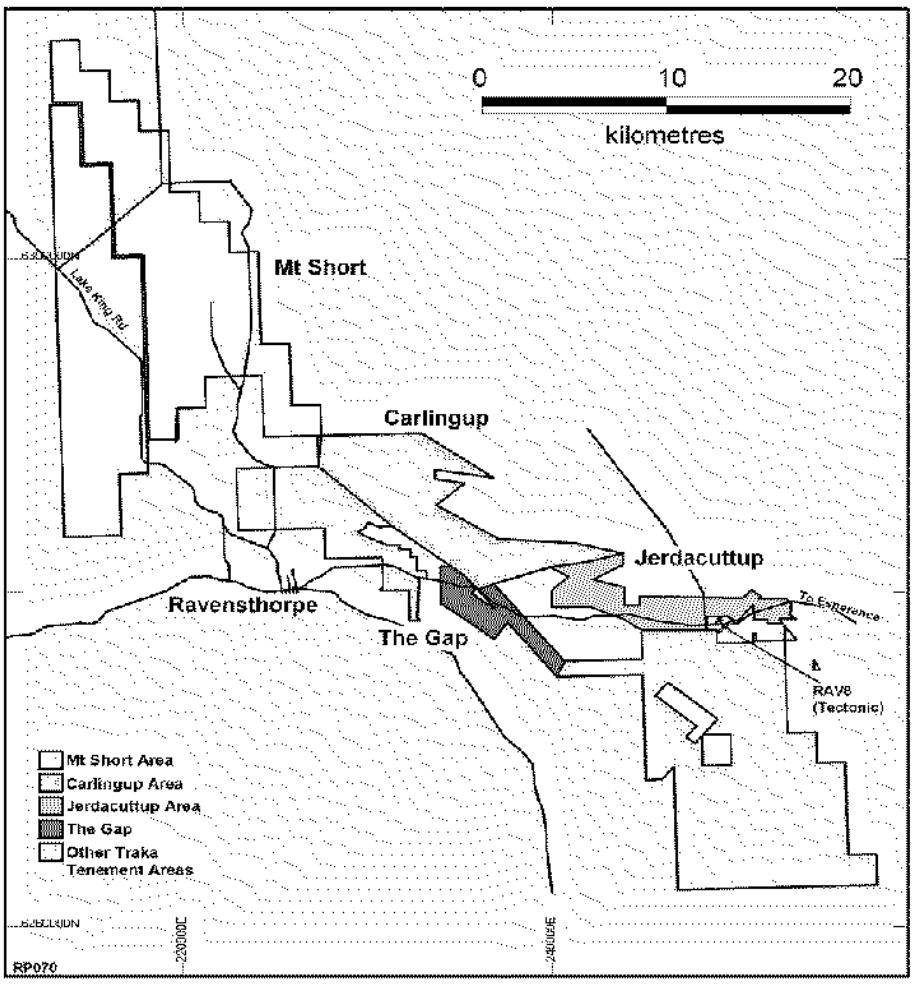

Figure1. The Ravensthorpe Nickel Project

Geophysical Surveys:

Time Domain Electromagnetic surveys ("TEM") have continued and are planned for the Mt Short, Carlingup and The Gap areas. These surveys are a continuation of the type of surveys that have already systematically covered all of the Jerdacuttup area and parts of the Mt Short and Carlingup areas. At Mt Short the TEM surveys will cover strike extensions of the ultramafic rock sequence currently being drill tested by the diamond rig into an area where RAB drilling programs completed by previous explorers returned results up to 0.63% Nickel and 0.83% Copper.

At Carlingup a 5.5 kilometre zone striking westward from the B1 prospect has been selected for priority work. Previous drilling on the B1 Prospect returned a drill intersection in nickel sulphides of 6 metres @ 1.04% Nickel between 157-163 metres depth in drill hole RAVC162. In The Gap area the TEM survey is planned to cover a 6.5 kilometre zone where previous rock-chip and soil geochemical surveys have highlighted numerous anomalies.

Mine Scoping Study:

A study to give an initial and very preliminary appraisal of the viability of mining the shallow nickel mineralisation located at the RAV1, RAV 4, RAV 4 West and RAV 5 Prospects in the Jerdacuttup area has commenced (Figure 2). Exploration and wide spaced drilling on these prospects by former exploration companies and more recently by Traka and IGO has confirmed the presence of nickel gossans at surface and nickel sulphide mineralisation extending to depth. Whilst the exploration focus at Ravensthorpe is to discover new stand-alone deposits the sustained increase in the nickel price presently being experienced may now make these prospects viable as shallow open pit resources.

Table 1. *A selection of drillhole intersections*

Prospect	Hole	North	East	Dip	Az	From (m)	To (m)	Width (m)	Ni %
RAV1	RB1/3	6279747	241228	-70	325	67.36	71.32	3.96	1.96
RAV1	RB1/17	6279740	241520	-90		115.2	116.9	1.7	1.80
RAV1	RB1/23	6279794	241261	-90		59.13	68.24	9.11	1.32
RAV1	RB1/24	6279871	241356	-90		35.7	40.2	4.5	1.36
RAV1	RB1/41	6279787	241218	-90		61.4	65.5	4.1	2.14
RAV4	RB4/2	6281148	242106	-45	360	87.33	88.7	1.37	1.31
RAV4	RB4/16	6281158	241879	-90		47.65	48.65	1	3.6
RAV4	RB4/17	6281179	241879	-90		58	62.5	4.5	0.92
RAV4w	RB4W/02	6281628	241010	-90		54.8	57.4	2.6	7.86
RAV4w	GRC040	6281601	241130	-90		69	71	2	3.72
RAV4w	RAVC137	6281495	240999	-90		66	69	3	2.22
RAV4w	RAVC148	6281151	241157	-90		87	90	3	3.02
RAV5	RB5/01	6278941	244096	-50	020	86.87	89.61	2.74	1.54
RAV5	RB5/13	6278977	244171	-90		67.88	68.46	0.58	2.4
RAV5	RB5/14	6278864	244135	-70	020	142.13	147.52	5.39	1.66

All co-ordinates are in AMG84 Zone 51
No cut-off grades applied

The Prospects being evaluated have been drilled to varying degrees of confidence but none have been drilled to current JORC guidelines. In each case nickel mineralisation in disseminated and massive sulphide form occurs as broad sheet like bodies on a gently south to south east dipping basal contact of ultramafic rocks on quartzites. A selection of the better drillhole results for each of the prospects is provided in Table 1.

The results for the Mine Scoping Study are expected during the next quarter period.

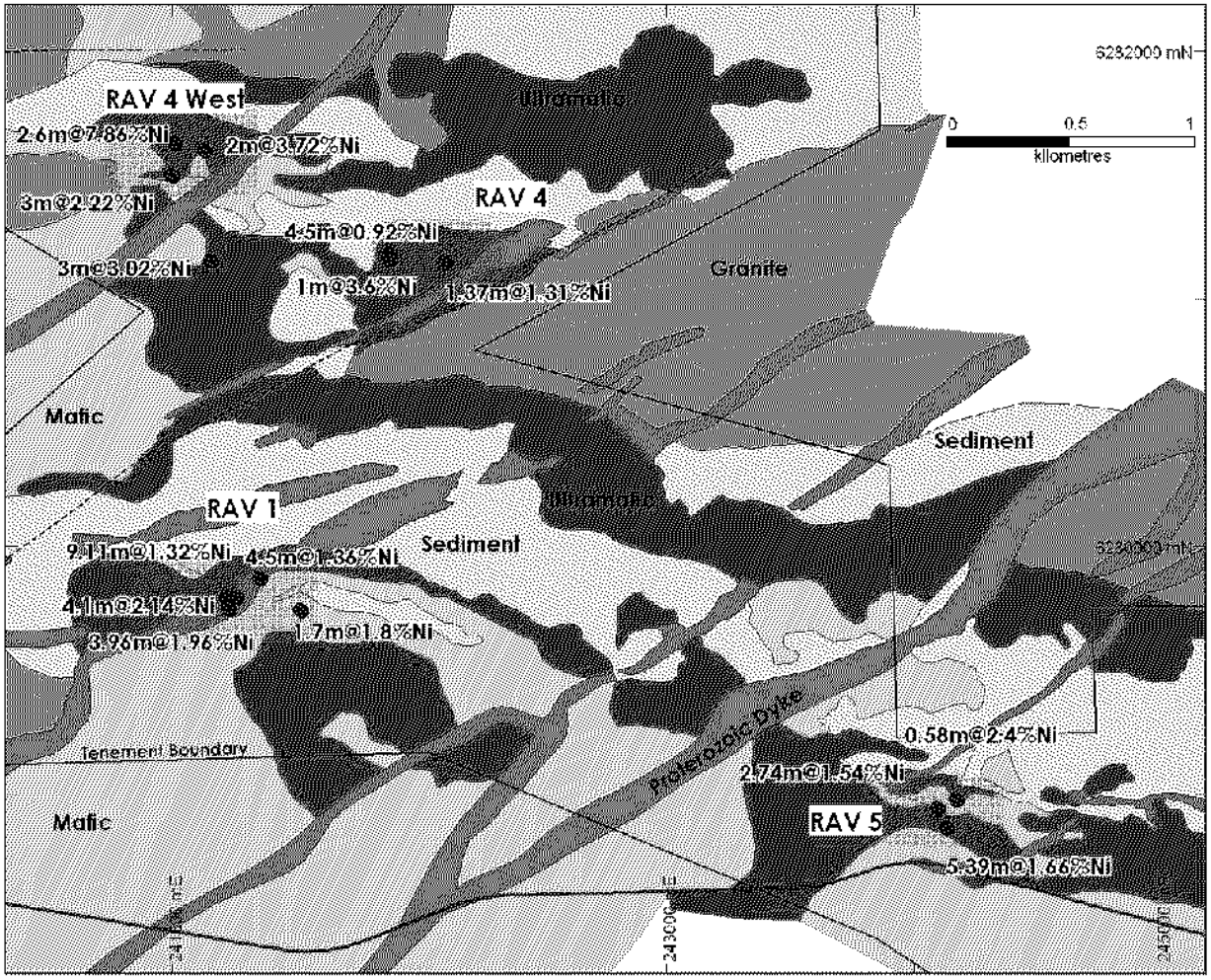

Figure 2. Prospect locations in the Jerdacuttup Area showing a selection of drillhole intersections.

The Ravensthorpe Iron Ore Project:

Flora surveys have been completed and drill site locations selected for a number of locations over prospective Iron Formations within the Ravensthorpe Project. The next drilling program is anticipated to test a number of discrete target zones located within a 13 kilometre long section of the Project as a whole. A joint venture party is being sought to participate in this next phase of the exploration program.

The Mt Blyth Project:

Activity on this project during the quarter comprised negotiations with the Ngaanyatjarra Land Council for an Access Agreement and compilation of the historic exploration data base. One additional exploration licence (EL 69/2312) has also been applied for east of the five original applications. This exploration licence overlays the same geological domain between the Musgrave Complex rocks and the Officer Basin as the other tenements and is similarly prospective for copper gold uranium targets in the style of Olympic Dam Mine as well as unconformity and calcrete style uranium deposits.

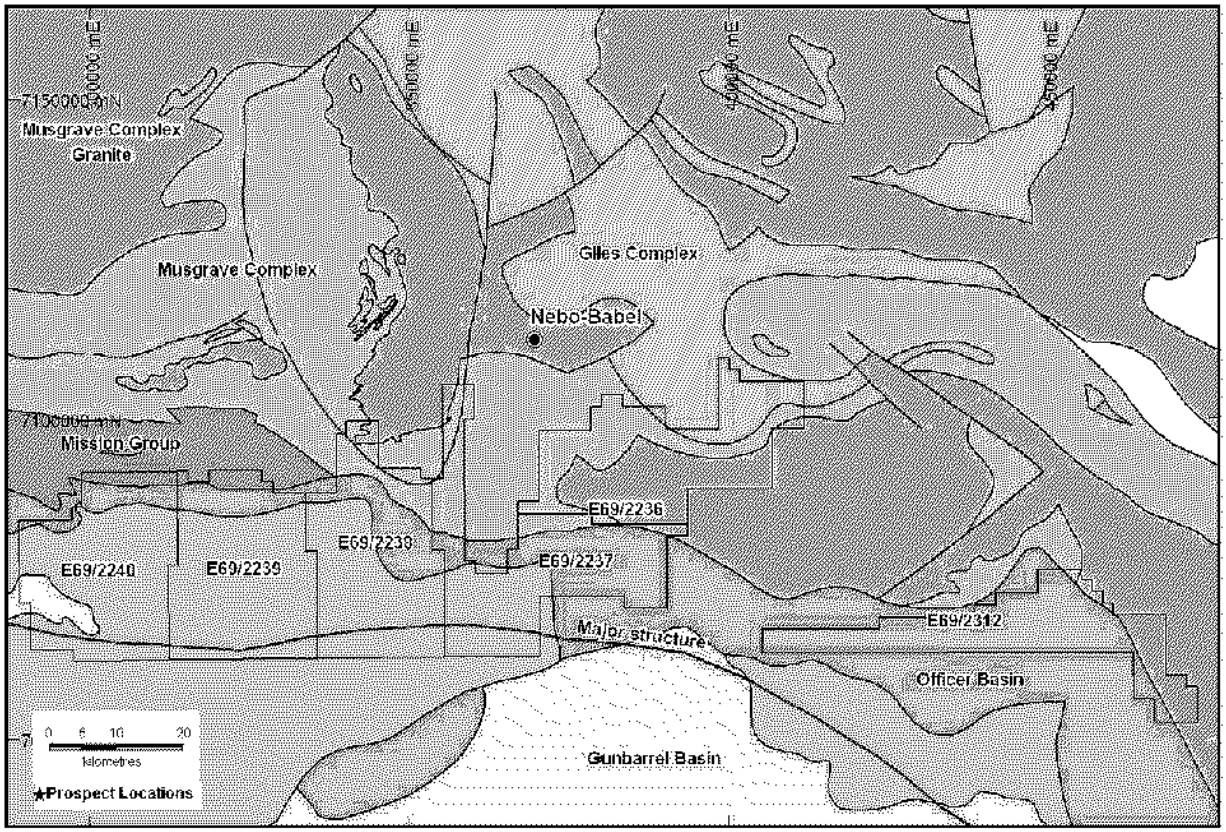

Figure 3. Geological setting of the Mt Blyth Project tenements.

Mr Patrick Verbeek
Managing Director

30th January 2007

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.