



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report for the three months ended 31 December 2013

Summary

- A number of zones of disseminated sulphide mineralisation have been intersected in RC drilling within the Western Areas Limited joint venture tenements and results are awaited.
- The Company raised \$1.14 million of working capital during the quarter
- An EIS grant of \$150,000 has been secured towards the cost of drilling on the Tollu Prospect in 2014.
- Silver Lake Resources Limited has extended the Option Period for 12 months on the Ravensthorpe 1 and 2 Option Areas by payment of \$125,000.

Introduction

Traka Resources Ltd (ASX: TKL) is a Perth based exploration company with its primary exploration assets held in the Musgrave and Ravensthorpe Project areas of Western Australia (Figure 1).

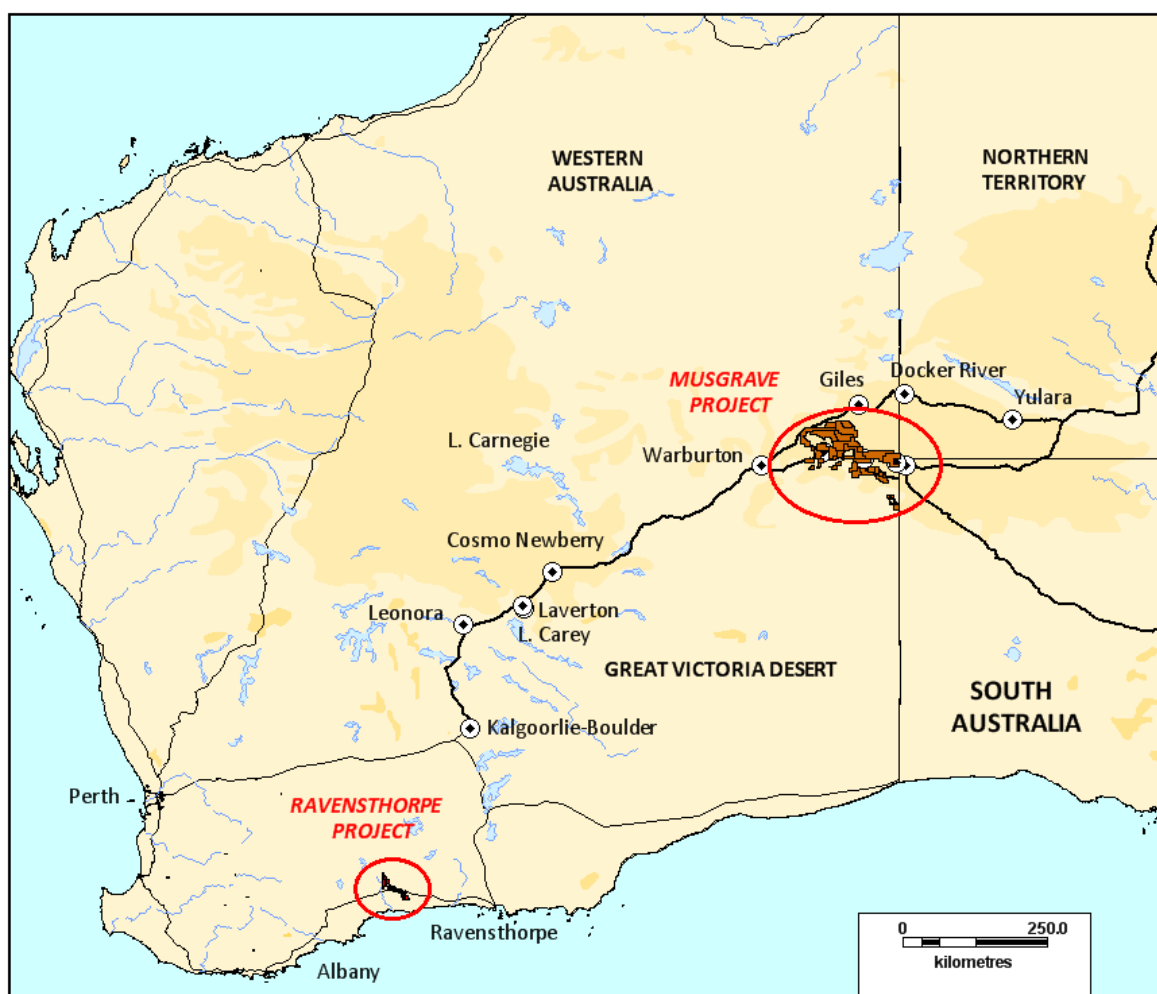


Figure 1: Location plan of Traka's Projects in Western Australia

Corporate

Placement and Share Purchase Plan

The Company was pleased to announce successful capital raisings, by way of a Placement to sophisticated investors and a Share Purchase Plan, totalling \$1,142,500 before costs. The overall support for these fundraisings was very good and has provided the Company with further working capital for its ongoing activities focused on advancing the Musgraves Project interests. Both fundraisings were undertaken at 6 cents per share, a 19% discount to the weighted average price at the time of the Placement, and resulted in the issue of 19,041,639 additional shares.

Extension of Option Periods – Ravensthorpe Project

Silver Lake Resources Limited ("SLR") has elected to extend the Option Period for 12 months on the Traka 1 and Traka 2 Option Agreement Areas at Ravensthorpe by payment of \$62,500 for each area. The Traka 1 and Traka 2 Option areas are two of four abutting areas within the Ravensthorpe Project area where SLR have the joint right to earn majority equity (Figure 3).

EIS Grant

The Company is pleased to announce the grant of \$150,000 towards drilling in the 2014 period on the Tollu Prospect area of the Musgrave Project. This grant was given under the Western Australian Government Exploration Incentive Scheme (“EIS”) and can be used to pay for half the direct drilling costs.

The Musgrave Project

The Company has focused over the past few years on its Musgrave Project. Traka has a dominant position in the Musgraves with interests in 30 exploration licences, of which 5 are granted, extending over about 9,000 square kilometres (Figure 2). The Company’s wholly owned interests extend over 22 exploration licences. A further 5 tenements are the subject of a recently established joint venture with Western Areas Limited (“WSA”) and 3 others are subject to a joint venture with Anglo American Exploration (Australia) Pty Ltd (“AAE”).

WSA and AAE manage their respective joint ventures and each can earn a majority equity position of between 70% and 80% by meeting expenditure commitments and free-carrying Traka’s retained equity of between 20% and 30% through to completion of a Bankable Feasibility Study.

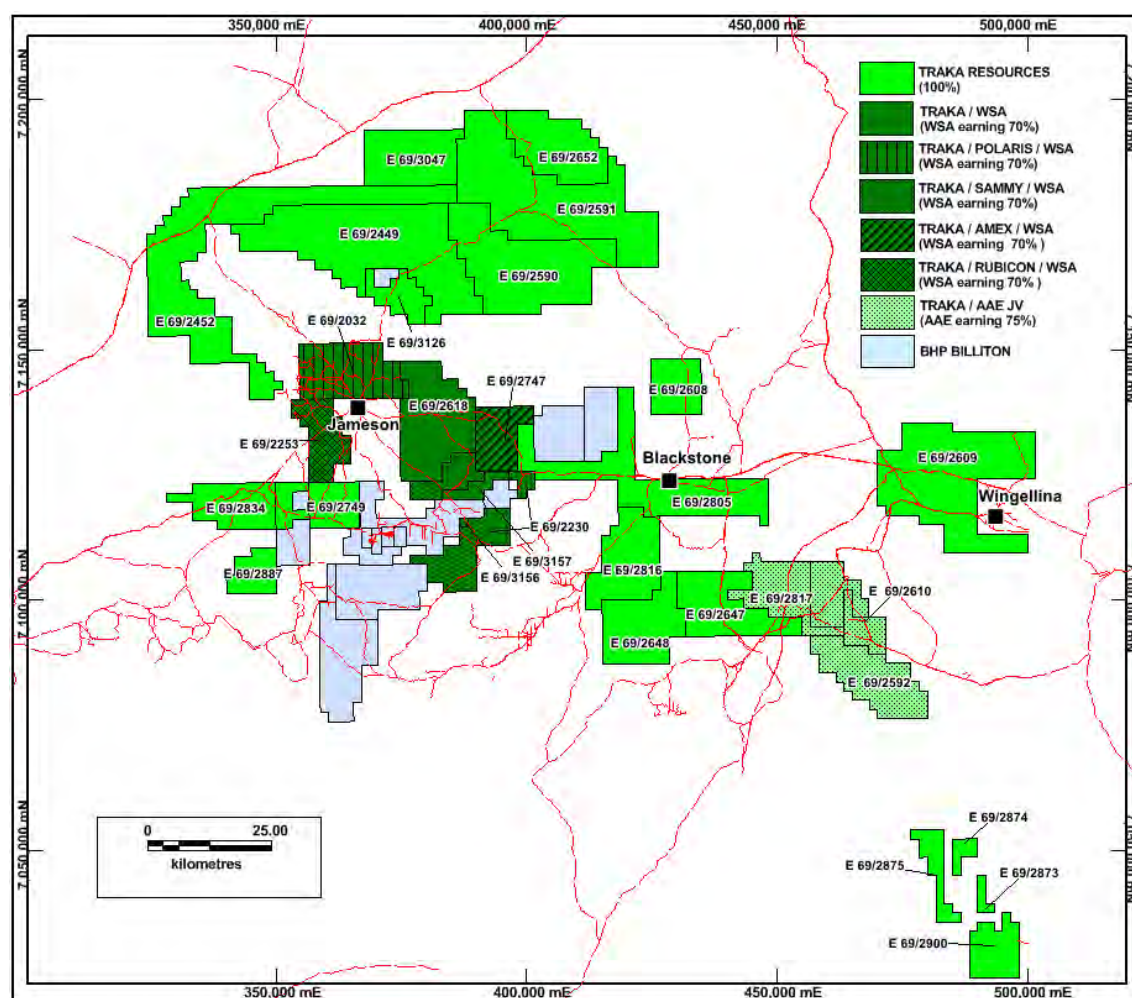


Figure 2: A tenement plan of the Musgrave Project

EXPLORATION

The Musgrave Project

Western Areas Limited Joint Venture

Exploration activity this quarter was dominated by the work completed in the Jameson area by Traka's new joint venture partner WSA.

An extract of WSA's statement plus a diagram in relation to the work completed this quarter follows:

" Musgraves Nickel-Copper Joint Venture (WSA to earn up to 70% interest)

Exploration activities during the quarter included the completion of the surface EM and airborne magnetic/radiometric surveys, and the subsequent commencement of the targeted RC drilling program. The geophysics generated a number of high priority targets located in favourable geological locations (within or adjacent to interpreted mafic intrusives), some with coincident nickel and copper geochemical anomalism. A total of 3 holes (854m) were completed prior to Christmas.

Drill holes WMRC0001 and WMRC0002 were planned to test two high priority MLEM conductors in the SW of the Samaria Prospect. Despite both drill holes encountering favourable geology, the holes failed to explain the source of EM anomalism. Both holes will now be screened with DHEM and a limited amount of further MLEM to assist in constraining the complex EM anomalies.

*The drilling at the Atlas prospect commenced with drill hole WMRC0003, which was designed to target a highly conductive (~20,000s), shallowly plunging conductor that appears to lie conformably within the layered intrusive pile. This drill hole failed to intersect an EM source. The hole will now be surveyed with DHEM and potentially extended. Drill hole WMRC0004 (targeting a similar but less conductive EM anomaly), was at 72m prior to the Christmas break. **Significantly, a number of zones with disseminated sulphides have been intersected and the NITON XRF indicates copper values up to 0.26% Cu.** The target depth for WMRC0004 is approximately 200m.*

The current drilling program (~2,000m) recommenced in mid-January."

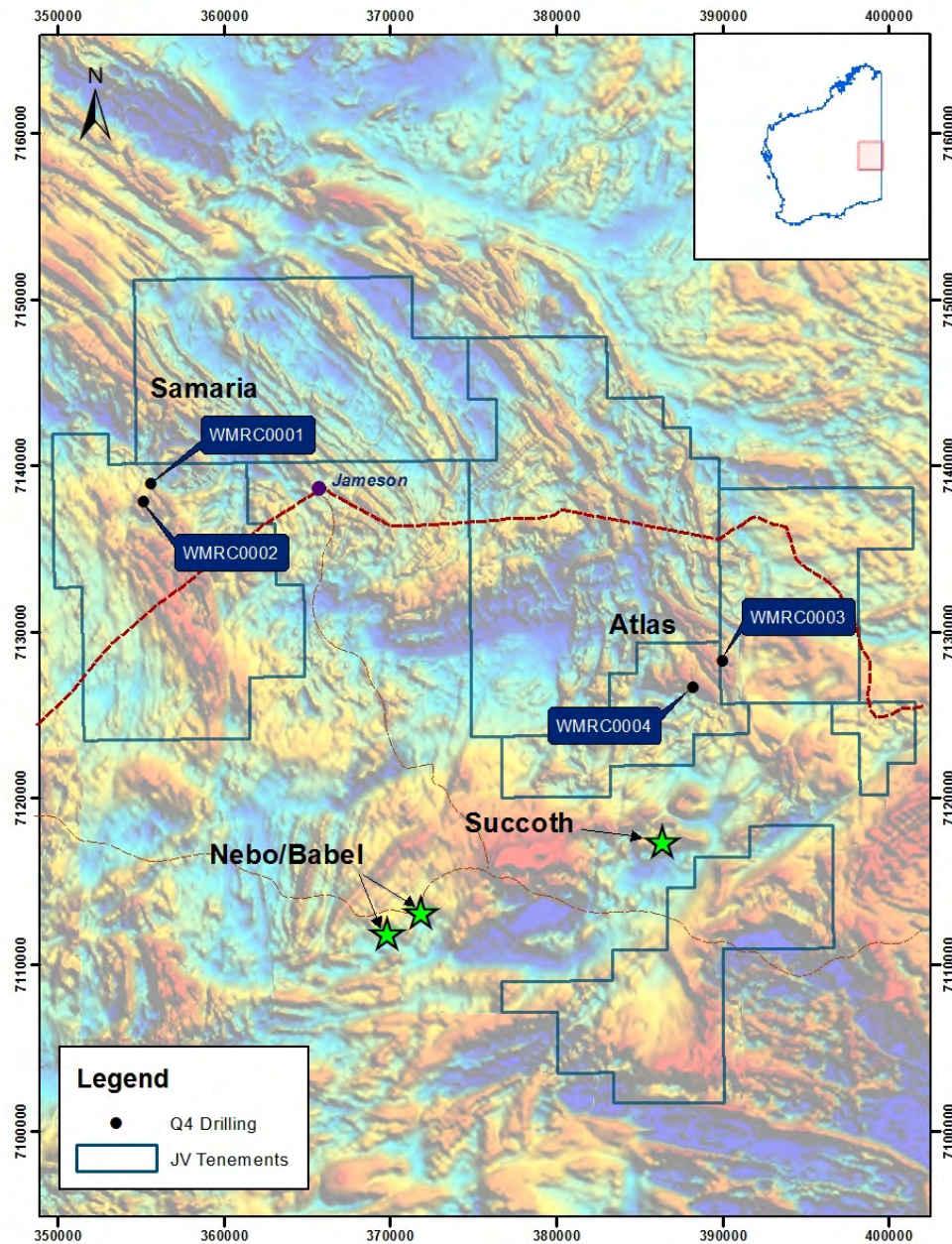


Figure 3: The Musgraves WSA Joint Venture Project Area tenure and recent drilling (4 holes), overlaying magnetic imagery (RTP) (Figure supplied by WSA)

Further results and commentary is now awaited from WSA in relation to the drill program and follow-up exploration activity.

Anglo American Exploration (Australia) Pty Ltd Joint Venture

AAE's remaining interests in the Musgraves are now concentrated in the south-eastern Latitude Hill area (Figure 2). A number of strong Spectrem EM targets in this area are being scheduled to be followed up with ground EM and drilling this year.

The Ravensthorpe Project

Traka's interests in the Ravensthorpe Project are entirely farmed-out to Silver Lake Resources Limited, subject to the terms of 4 separate Option Agreements, each relating to a separate part of the Project. SLR have an initial 12 month Option Period after which time they may choose to retain an interest and/or return separate option areas subject to various terms (Figure 4).

There was no updated exploration information available from SLR for this joint venture at the time of writing this report.

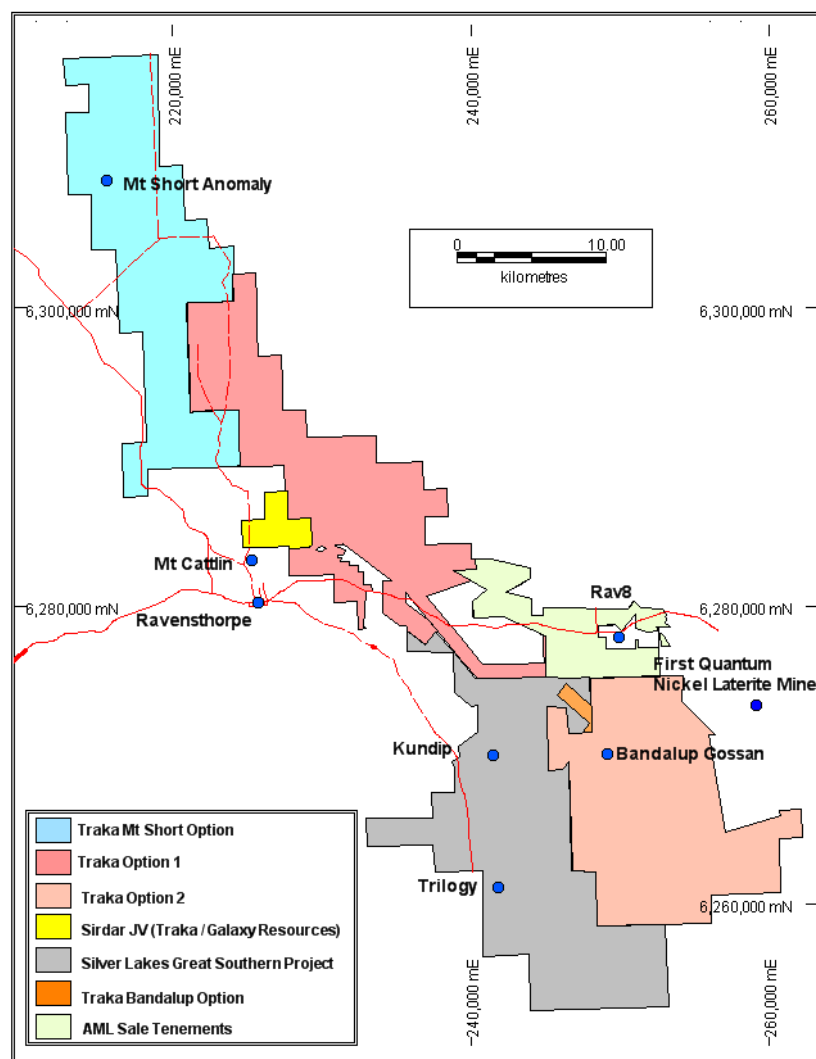


Figure 4: Location plan of the Ravensthorpe Project

Sirdar Joint Venture

(Galaxy 80%; Traka free carried)

No updated information is available for this joint venture.

Mr Patrick Verbeek
Managing Director

31 January 2013

TRAKA RESOURCES LIMITED
SCHEDULE OF TENEMENTS
31 December 2013

Tenement Type	Tenement Number	Project	Registered Holder	Traka % Interest
E	69/2032	Mt Blyth (Polaris Option)	Traka Resources Ltd (90%) & Polaris Metals NL (10%)	90
E	69/2230	Mt Blyth (Sammy Option)	Sammy Resources Pty Ltd (100%)	Option for 90
E	69/2253	Mt Blyth (Caesar Hill JV)	Rubicon Resources Ltd (100%)	Option for 75
EA	69/2449	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2452	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2590	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2591	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2592	AAE Western Musgraves Expanded Farm-In JVA	Traka Resources Ltd (100%)	100
EA	69/2608	AAE Western Musgraves Expanded Farm-In JVA	Traka Resources Ltd (100%)	100
EA	69/2609	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2610	AAE Western Musgraves Expanded Farm-In JVA	Traka Resources Ltd (100%)	100
E	69/2618	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2647	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2648	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2652	Mt Blyth	Traka Resources Ltd (100%)	100
E	69/2747	Mt Blyth (Amex JV)	Traka Resources Ltd (90%) & Amex Resources Ltd (10%)	90
EA	69/2749	Mt Blyth	Traka Resources Ltd (100%)	100
E	69/2804	AAE Western Musgraves Expanded Farm-In JVA	Traka Resources Ltd (100%)	100
EA	69/2805	AAE Western Musgraves Expanded Farm-In JVA	Traka Resources Ltd (100%)	100
EA	69/2816	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2817	AAE Western Musgraves Expanded Farm-In JVA	Traka Resources Ltd (100%)	100
EA	69/2834	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2873	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2874	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2875	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2887	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/2900	Mt Blyth	Traka Resources Ltd (100%)	100

TRAKA RESOURCES LIMITED
SCHEDULE OF TENEMENTS
31 December 2013

EA	69/3047	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/3126	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/3156	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/3157	Mt Blyth	Traka Resources Ltd (100%)	100
EA	69/3161	Mt Blyth	Traka Resources Ltd (100%)	100
E	74/0332	Ravensthorpe (Silver Lake Mt Short Option)	Traka Resources Ltd (100%)	100
E	74/0378	Ravensthorpe (Silver Lake Mt Short Option)	Traka Resources Ltd (100%)	100
E	74/0379	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
E	74/0401	Ravensthorpe (Galaxy JV)	Galaxy Lithium Australia Ltd (80%) & Traka Resources Ltd (20%)	20
E	74/0408	Ravensthorpe (Silver Lake Phillips River JV Option)	Traka Resources Ltd (100%)	100
E	74/0448	Ravensthorpe (Silver Lake Phillips River JV Option)	Traka Resources Ltd (100%)	100
E	74/0489	Ravensthorpe (Silver Lake Mt Short Option)	Traka Resources Ltd (100%)	100
E	74/0522	Ravensthorpe (Silver Lake Bandalup Gossan Option)	Traka Resources Ltd (100%)	100
M	74/0083	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0262	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0263	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0264	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0265	Ravensthorpe (Silver Lake Phillips River JV Option)	Traka Resources Ltd (100%)	100
P	74/0266	Ravensthorpe (Silver Lake Phillips River JV Option)	Traka Resources Ltd (100%)	100
P	74/0267	Ravensthorpe (Silver Lake Phillips River JV Option)	Traka Resources Ltd (100%)	100
P	74/0268	Ravensthorpe (Silver Lake Phillips River JV Option)	Traka Resources Ltd (100%)	100
P	74/0269	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0270	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0271	Ravensthorpe (Silver Lake Phillips River JV Option)	Traka Resources Ltd (100%)	100

TRAKA RESOURCES LIMITED
SCHEDULE OF TENEMENTS
31 December 2013

P	74/0272	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0273	Ravensthorpe (Silver Lake Phillips River JV Option)	Traka Resources Ltd (100%)	100
P	74/0274	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0275	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0280	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (100%)	100
P	74/0281	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (90%) & KH Piper (10%)	90
P	74/0295	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (90%) & KH Piper (10%)	90
P	74/0296	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (90%) & J H Kelly (10%)	90
P	74/0297	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (90%) & J H Kelly (10%)	90
P	74/0298	Ravensthorpe (Silver Lake Phillips River Option)	Traka Resources Ltd (90%) & KH Piper (10%)	90
P	74/0309	Ravensthorpe (Galaxy JV)	Galaxy Lithium Australia Ltd (80%) & Traka Resources Ltd (20%)	20
P	74/0310	Ravensthorpe (Galaxy JV)	Galaxy Lithium Australia Ltd (80%) & Traka Resources Ltd (20%)	20

E	Exploration Licence	EA	Exploration Licence Application
M	Mining Licence	AAE	Anglo American Exploration
P	Prospecting Licence	Mt Blyth	Musgrave Region

All tenements are located in Western Australia

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

Name of entity

TRAKA RESOURCES LTD

ABN

63 103 323 173

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	41	166
	(b) development	-	-
	(c) production	-	-
	(d) administration	(212)	(356)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	30	188
Net Operating Cash Flows		(139)	2
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(2)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(2)	(2)
1.13	Total operating and investing cash flows (carried forward)	(141)	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(141)	-
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,082	1,082
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	1,082	1,082
	Net increase (decrease) in cash held	941	1,082
1.20	Cash at beginning of quarter/year to date	188	47
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,129	1,129

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	85
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
1.2 The net cash inflows YTD in respect of Exploration arise as a result of receipts of expenditure recovered from JV partners of approximately \$332,000 of which \$67,000 was recovered in Quarter 2.	
1.7 Other Receipts principally consist of option payments received.	
1.8(a) During Qtr 1 the Company paid \$250,000 to acquire an exploration tenement and the payment was recovered from a JV partner – resulting in no net cash outlay on investments YTD.	
1.14 During the quarter the Company raised equity through a placement to professional and sophisticated investors followed by a Share Purchase Plan.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	55
4.2 Development	-
4.3 Production	-
4.4 Administration	102
Total	157

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,129	188
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposit		
5.5 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,129	188

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E69/2448 Tenement surrendered	49%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
7.2	(description) Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	111,848,198	111,848,198	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	19,041,639	19,041,639	6 cents Fully Paid
7.5	*Convertible debt securities			
	(description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	1,100,000 2,000,000		Exercise price 20.625 cents 8.75 cents	Expiry date 15 November 2014 17 November 2016
7.8	Issued during quarter	2,000,000		8.75 cents	17 November 2016
7.9	Exercised during quarter				
7.10	Expired during quarter	2,650,000		Exercise price 21.250 cents	Expiry date 17 November 2013
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Peter Rutledge
Company Secretary

Date: 31 January 2014

Print name: Peter Rutledge

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+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.