



# TRAKA RESOURCES LIMITED

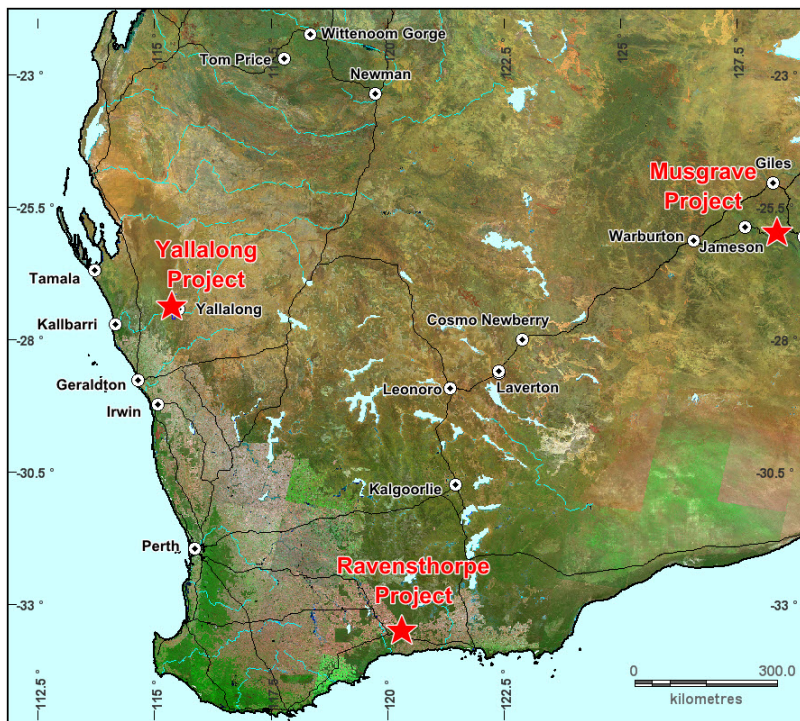
ABN 63 103 323 173

## Quarterly Activities Report for the three months ended 31 December 2015

### Summary

The Company's exploration activities are all located in Western Australia (Figure 1).

- Encouraging drilling results of up to 7.30% antimony has led to a decision to continue exploration on the Yallalong Antimony Project.
- Drilling is expected to recommence on the Mt Short Base Metal Project shortly.
- Seven strong Spectrem anomalies have been highlighted in the Musgrave Project and Anglo American has withdrawn from their exploration agreement with Traka allowing the Company to seek entry of a third party to test these walk up drill targets.
- The evaluation of other exploration projects is continuing.



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

## **The Yallalong Antimony Project**

***(Traka Earning up to 80%)***

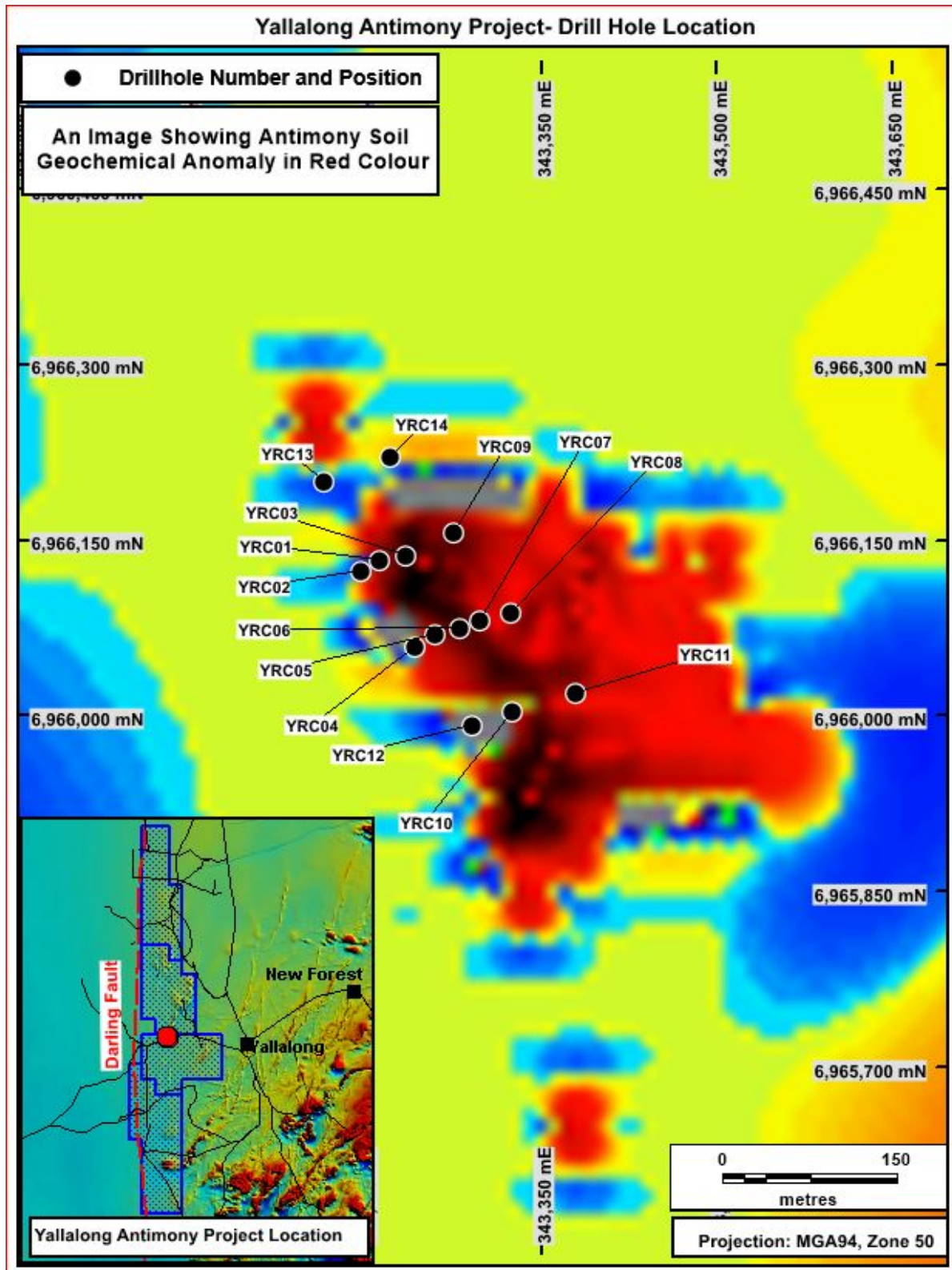
A reverse circulation ("RC") drill program comprising 14 holes for 1,098 metres was completed earlier this month. Seven narrow high grade drill hole intersections of antimony ("Sb") mineralisation in sedimentary and mafic rock were intersected (Table 1). These high grade intersections vary in width from 1 to 3 metres with grades varying between 1.0% and 7.30% Sb. The peak result was 1 metre at 9.77 % Sb. These results are indicating reasonable potential and it is clear that there is good correlation of the drill intersections with the overlying geochemical data (Figure 2). Mineralisation as observed in the drill and geochemical data is open in several directions and another program of drilling has now been committed to for commencement in late February.

<b>Yallalong Antimony Project -2015 December Drilling Intercepts</b>							
<b>Hole Id</b>	<b>Easting (m)</b>	<b>Northing (m)</b>	<b>Dip °</b>	<b>Azimuth°</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Downhole width (m) and antimony (Sb) grade (%)</b>
YRC01	343212	6966134	-60	70	49	51	2m @ 1.74% Sb
Including					50	51	1m @ 2.5% Sb
YRC06	343281	6966076	-60	70	22	24	2m @ 7.30% Sb
Including					22	23	1m @ 9.77% Sb
YRC07	343298	6966082	-60	70	43	45	2m @ 1.02% Sb
YRC10	343326	6966005	-60	250	23	26	3m @ 0.76% Sb
YRC03	343234	6966138	-60	70	10	13	3m @ 0.79% Sb
YRC06	343281	6966076	-60	70	49	52	3m @ 1.91% Sb
Including					50	51	1m @ 4.24% Sb
YRC08	343324	6966089	-60	250	50	52	2m @ 1.76% Sb
Including					50	51	1m @ 2.28% Sb

\*Bottom Cutoff Sb % ≥ 0.5  
 \*Projection: Map Grid Australia 94, Zone 50

***Table 1: Significant drillhole intersections from the Yallalong Antimony Project.***  
*(Traka Announcement 15 January 2016)*

The geological setting and mineralisation intersected is typical of the mesothermal style antimony resources that currently provide the bulk of the world's antimony supply. Structural quartz veined sites relating to the north trending Darling Fault system and favourable stratigraphic horizons are host to the mineralisation highlighted.



*Figure 2: Yallalong Antimony Project showing drillhole locations over an antimony soil geochemical anomaly image (shown as red colour)*

The large scale of the project of over 40 kilometres in strike length presents many opportunities for repeated areas of mineralisation like that found at the original discovery site. Ongoing reconnaissance scale geochemical programs have highlighted several more antimony anomalies and two of these are now planned for systematic infill soil geochemical sampling (Figure 3)

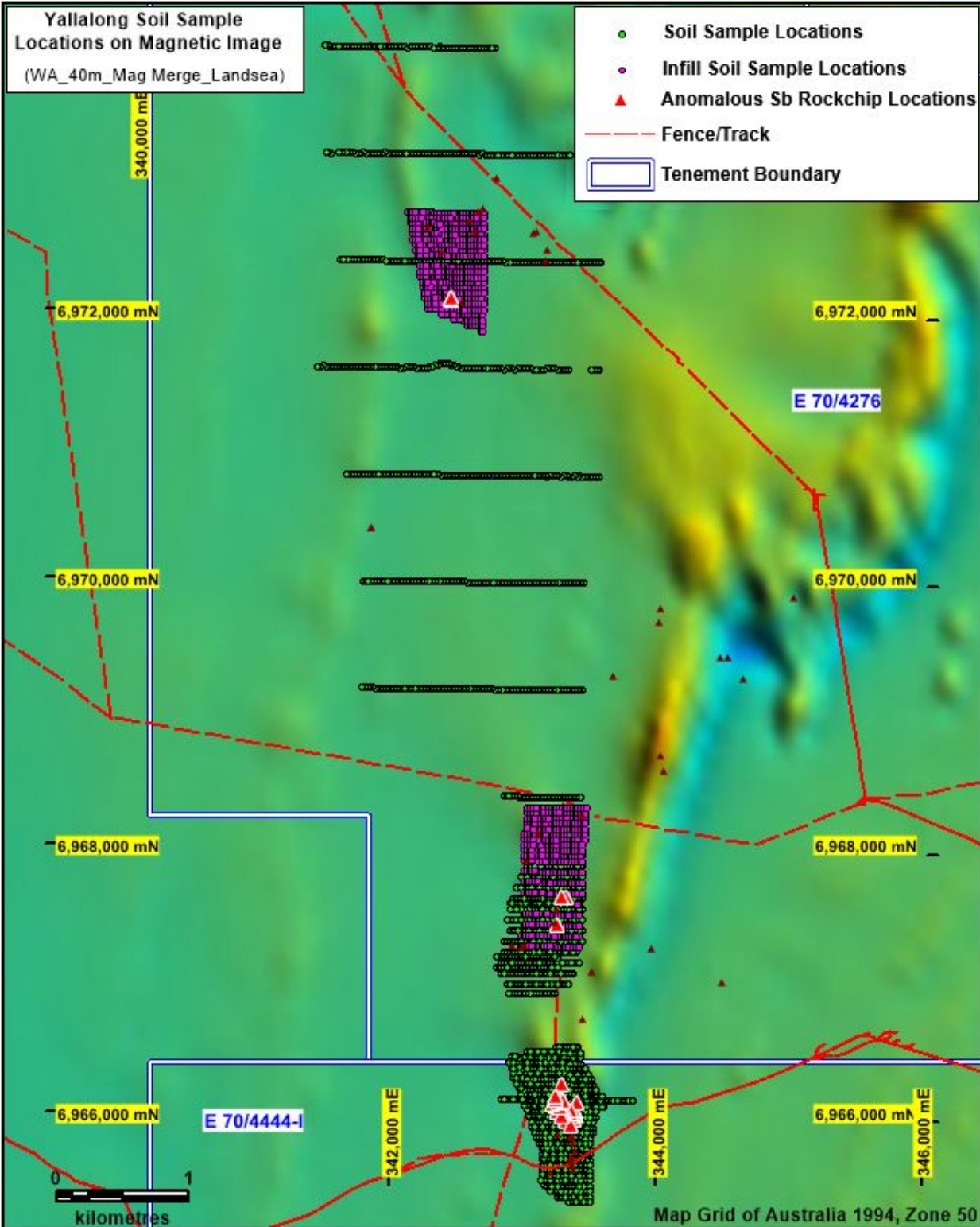


Figure 3: Soil and rock chip sampling position showing anomalous results.

A total of 1,889 soil samples and 7 rock-chip samples were collected over the quarter. Investigation of these anomalous areas is showing that the antimony anomalism is hosted in sheared and quartz veined sedimentary and mafic rocks identical to that seen in the area being drilled.

**The Ravensthorpe Project**

Traka’s interest in the Ravensthorpe Project comprises three parts. For the first part Traka has 100% equity in the prospective drill-ready base-metal prospect at Mt Short. For the second part Traka retains a 20% Free Carried interest on the Bandalup Joint Venture area with Silver Lake Resources Limited (“SLR”). Thirdly, Traka retains a 20% Free Carried interest with Galaxy Resources Limited in tenements next to the Mt Cattlin Mine (Figure 4).

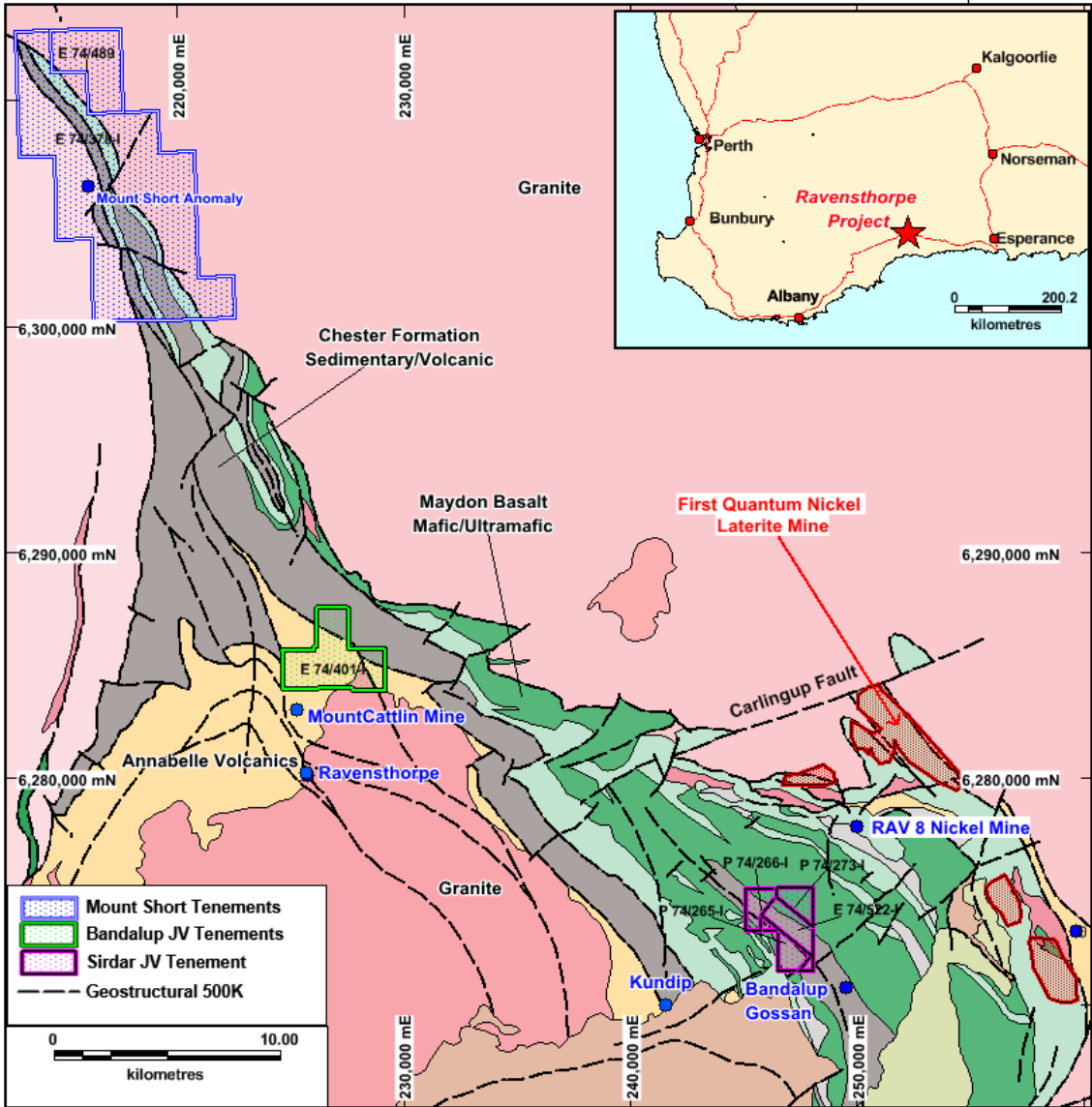


Figure 4: Location plan of the Ravensthorpe Project

**The Mt Short Base Metals Project:**

A drill program to test three electromagnetic (“EM”) targets (MS5, MS1 and MS2) was commenced as planned in December 2015. One RC pre-collar hole was completed on each of the three targets ahead of the Christmas/New Year break. The diamond drill program to test the target position below the pre-collars on these positions is delayed by wet weather but is expected to recommence within the next few days.

This drill program adds to the previous work completed on an 8 kilometre long prospective zone on the northern margin of the Ravensthorpe Greenstone Belt. The EM targets are considered to reflect the presence of massive and/or stringer sulphides with lead, zinc, copper and nickel potential (Figure 5). The previous work has already established that this style of mineralisation exists within a 59 metre wide stratigraphic horizon at the MS5 target.

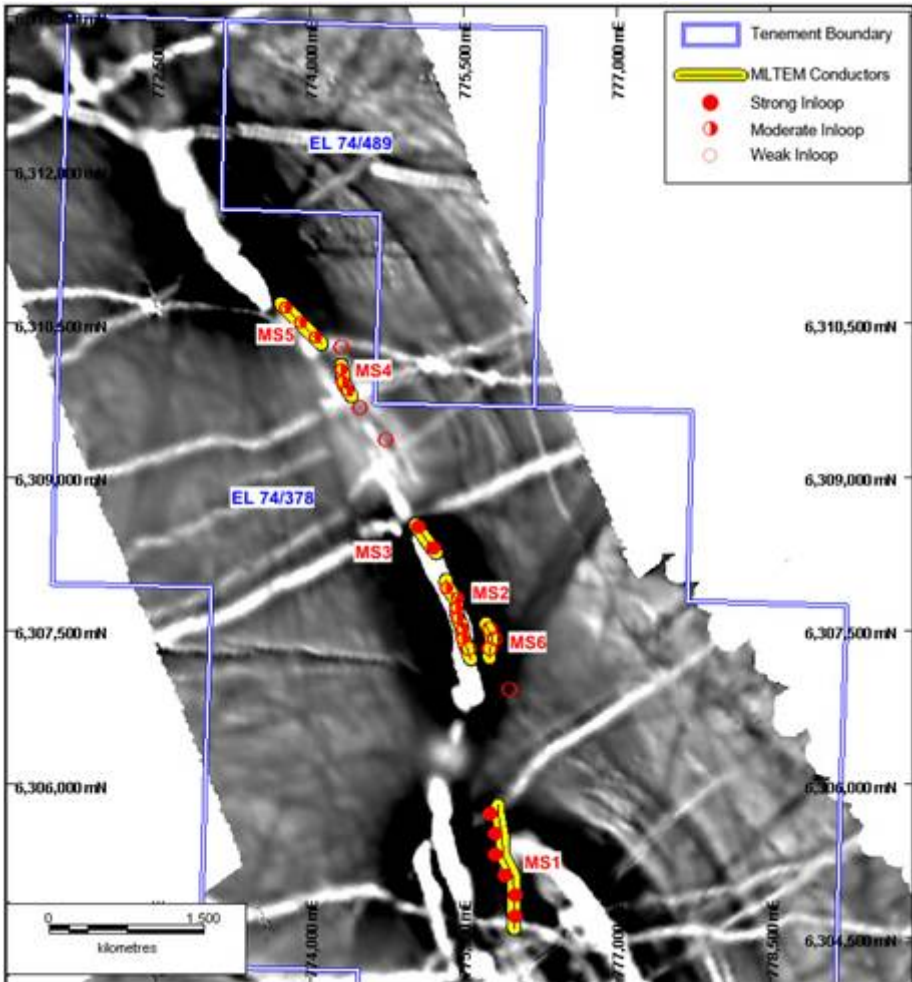


Figure 5: Grey scale aeromagnetic image showing the EM anomaly positions

**The Galaxy Resources Limited Joint Venture:**  
**(Traka Free Carried 20%)**

No activity has been reported this quarter but it is encouraging to see Galaxy and General Mining move rapidly to restart mining operations at the neighbouring Mt Cattlin Lithium and Tantalum Mine.

There is known lithium, tantalum and gold potential in the joint venture tenements and now some renewed possibility of the neighbouring mining activity expanding into the joint venture area. Traka has a 20% Free Carried interest through to production on any lithium and tantalum mined and a 20% Free Carried interest through to completion of a feasibility study on any other commodities such as gold that occur on the joint venture tenements.

## **Bandalup Joint Ventures** ***(Traka Free Carried 20%)***

No information has been provided for these joint venture areas for this quarter.

## **The Musgrave Project**

Traka and Anglo American have recently agreed that Anglo American will withdraw from their existing exploration agreement. The withdrawal of Anglo American will help to facilitate Traka's wish to attract a third party to drill-test 7 Spectrem electromagnetic ("EM") targets on tenements in the Latitude Hill area (Figure 6). The Spectrem targets were highlighted in previous airborne surveys and occur on Traka's wholly owned tenements and those formally in joint venture with Anglo American.

Anglo American has withdrawn from the exploration agreement with no retained interest in the tenements. As a separate arrangement Anglo American has transferred all of the Spectrem data generated by Anglo American under the following key terms:

1. Anglo American will be entitled to a 1.5% NSR (Net Smelter Return) royalty on any mineral production from the area covered by the Spectrem airborne survey being ELA69/2817, 2610 and 2592 in addition to the area formerly covered by Anglo American's EL69/3360 which is now held by Traka's tenement application E69/3420.
2. Royalty payments to Anglo American will start after 2 years from the commencement of production allowing prior recoupment of some development costs.

Prior to Anglo American's withdrawal, Traka and Anglo American had been successful in receiving 3 EIS grants (Exploration Incentive Scheme) totalling \$432,000 towards meeting the direct drilling costs on the 7 Spectrem targets. The EIS grant money will be available to the incoming joint venture party.

The Spectrem targets are strong conductors of sufficient size and strength to indicate the presence of massive sulphides. Minimal additional ground EM work on each target is contemplated ahead of drilling.

The Spectrem targets are in favourable geological positions for sulphide associated nickel, copper and platinum mineralisation within feeder pipe bodies associated with the late phase mafic and ultramafic intrusives of the Giles Complex. All of the targets come within 100 to 300 metres of surface and are therefore within reach of conventional RC or diamond drill rigs.

The Latitude Hill Spectrem targets are rare opportunities to advance exploration straight to drilling in a highly prospective Proterozoic terrain which already has very significant resources endowment at Babel, Nebo, Succoth and Wingellina (Figure 6). The identification and selection of the Spectrem targets culminates from many years of work and experience in the region by both Traka and Anglo American.

The anticipated drill program in the Latitude Hill area will be undertaken in this year's field season (April to December 2016) but is contingent on joint venture funding, the negotiation of Access Agreements and the completion of Heritage Surveys. These tasks are currently being acted upon.

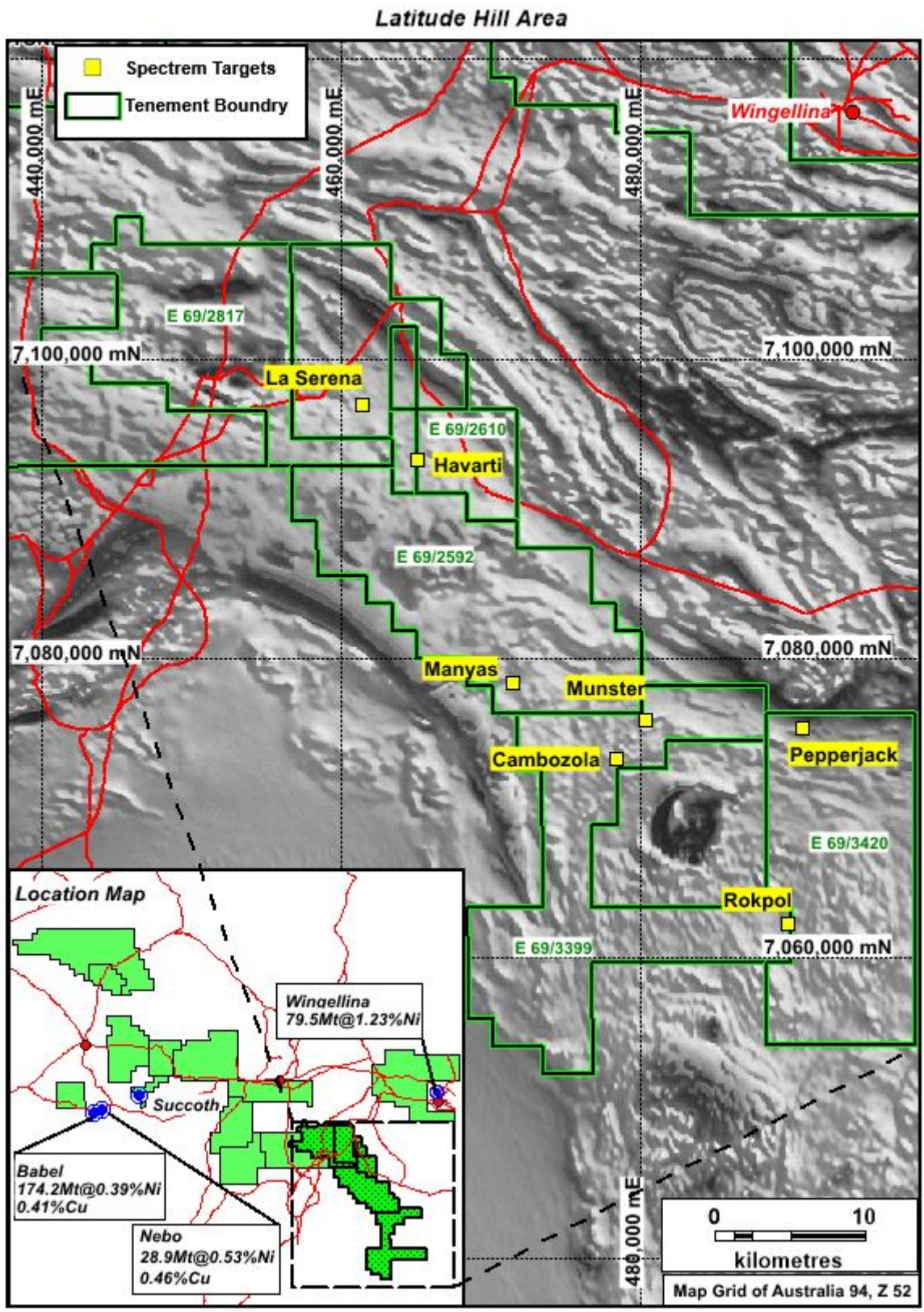


Figure 6: Greyscale aeromagnetic image showing the position of the 7 Spectrem targets.

## **New Project Development**

Whilst the Company is busy on several projects, ongoing efforts will continue to be made for other good opportunities to expand the company's exploration portfolio. The present period of depressed market conditions is a good leverage opportunity into new projects that can form part of the Company's longer term future.

Patrick Verbeek  
**Managing Director**

29 January 2016

### COMPLIANCE STATEMENT

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr P Verbeek a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is engaged full time as the Managing Director of the Company. Mr Verbeek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Verbeek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## 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 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(123)	(228)
(b) development	-	-
(c) production	-	-
(d) administration	(137)	(298)
1.3 Dividends received	-	-
1.4 Interest & other items of a similar nature received	6	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)    Receipt	-	-
Payment	-	-
<b>Net Operating Cash Flows</b>	<b>(254)</b>	<b>(518)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(2)	(4)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	1	1
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(3)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(255)</b>	<b>(521)</b>

+ 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)	(255)	(521)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	679	1,605
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)	-	-
	<b>Net financing cash flows</b>	<b>679</b>	<b>1,605</b>
	<b>Net increase (decrease) in cash held</b>	<b>424</b>	<b>1,084</b>
1.20	Cash at beginning of quarter/year to date	806	146
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,230</b>	<b>1,230</b>

**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	
	1.14 & 7.4 Issue of 46,999,998 new ordinary shares at 1.5 cents per share - shortfall arising from the entitlement issue in the prior quarter	

**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
	7.4 Issue of 3,846,154 new ordinary shares at 1.3 cents per share (\$50,000) in consideration for option to acquire tenements

+ 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

N/A

### 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	350
4.2 Development	-
4.3 Production	-
4.4 Administration	115
<b>Total</b>	<b>465</b>

### 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	310	206
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposit	920	600
5.5 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,230</b>	<b>806</b>

---

+ 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	69/2230 52/3070	Tenement surrendered Tenement surrendered	90% 100%	0% 0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	74/573	Application	0%	100%

#### 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	<b>Preference securities</b> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	225,452,083	225,452,083		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,846,154 46,999,998	3,846,154 46,999,998	1.3 cents 1.5 cents	1.3 cents 1.5 cents
7.5	<b>+Convertible debt securities</b> (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	<b>Options</b> <i>(description and conversion factor)</i>	2,000,000 450,000 2,000,000 450,000		<i>Exercise price</i> 8.75 cents 8.75 cents 2.56 cents 3.10 cents	<i>Expiry date</i> 17 November 2016 17 November 2016 9 March 2018 6 January 2018
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## 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 Ruttledge**  
Company Secretary

Date: **29 January 2016**

Print name: Peter Ruttledge

---

+ 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.

**TRAKA RESOURCES LIMITED**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
For the quarter ended 31 December 2015

Mining tenements and beneficial interests held at quarter end and their location:

Type	Tenement	Location	Registered Holding	Beneficial Interest
EA	69/2449	Musgrave, WA	100%	100%
EA	69/2592	Musgrave, WA	100%	49%
EA	69/2609	Musgrave, WA	100%	100%
EA	69/2610	Musgrave, WA	100%	49%
E	69/2618	Musgrave, WA	100%	100%
EA	69/2647	Musgrave, WA	100%	100%
EA	69/2648	Musgrave, WA	100%	100%
E	69/2747	Musgrave, WA	90%	90%
EA	69/2749	Musgrave, WA	100%	100%
EA	69/2816	Musgrave, WA	100%	100%
EA	69/2817	Musgrave, WA	100%	49%
EA	69/3156	Musgrave, WA	100%	100%
EA	69/3157	Musgrave, WA	100%	100%
EA	69/3355	Musgrave, WA	100%	100%
EA	69/3356	Musgrave, WA	100%	100%
EA	69/3399	Musgrave, WA	100%	100%
E	74/0378	Ravensthorpe, WA	100%	100%
E	74/0401	Ravensthorpe, WA	20%	20%
E	74/0489	Ravensthorpe, WA	100%	100%
E	74/0522	Ravensthorpe, WA	20%	20%
EA	74/0573	Ravensthorpe, WA	100%	100%
P	74/0309	Ravensthorpe, WA	20%	20%
P	74/0310	Ravensthorpe, WA	20%	20%
E	70/4276	Yallalong, WA	0%	*0%
E	70/4444	Yallalong, WA	0%	*0%
EA	09/2130	Yallalong, WA	0%	*0%
EA	70/4653	Yallalong, WA	0%	*0%

**TRAKA RESOURCES LIMITED**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
For the quarter ended 31 December 2015

Mining tenements and beneficial interests acquired during the quarter, and their location:

	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	74/573	Ravensthorpe, WA	0%	100%	0%	100%

Mining tenements and beneficial interests disposed of during the quarter, and their location:

	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
E	69/2230	Musgrave, WA	90%	0%	90%	0%
E	52/3070	Ashburton River, WA	100%	0%	100%	0%

Key:

E : Exploration licence  
M: Mining lease  
P: Prospecting licence  
EA: Exploration licence application

\* Earning up to 80%