



# Traka Resources Limited

ABN 63 103 323 173

## **ASX December 2004 Half Year Accounts**

*Enquiries regarding this  
announcement and company  
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**ASX Code: "TKL"**

**e-lodgement  
14- pages**

Please find attached the December 2004 Half Yearly  
information required under Listing Rule 4.2A.

This information should be read in conjunction with  
the June 2004 Annual Financial Report.

Patrick Verbeek  
Managing Director

**8 March 2005**



**TRAKA RESOURCES LIMITED**  
**ACN 103 323 173**

**HALF-YEAR REPORT**  
**31 DECEMBER 2004**

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## **Directors' Report**

Your Directors present their report on the company Traka Resources Limited for the half-year ended 31 December 2004

### **Directors**

The following persons were directors of the Company during the whole of the half year and up to the date of this report:

Mr N Tomkinson

Mr P Verbeek

Mr J Pitt

Mr G Petersons

### **Review of Operations**

#### **RESULTS OF OPERATIONS**

The net loss of the company for the half-year ending 31 December 2004 is \$632,354 (2003: \$611,190)

#### **CORPORATE ACTIVITIES**

Corporate activity in the half-year period being reported has been solely directed to consolidation and expansion of the ground position around the company's principal projects at Ravensthorpe. Several new exploration licence applications have been made and the company entered into two Option Agreements. One Option Agreement was entered into with Vistarise Ltd on an exploration licence abutting the Ravensthorpe Gold Project. The other Option Agreement was made with the prospecting syndicate Piper and Kelly, on ground prospective for nickel.

#### **EXPLORATION ACTIVITIES**

##### ***Ravensthorpe Nickel Project (100% Traka)***

As Traka's principal project the Ravensthorpe Nickel Project has been the subject of most of the work and expenditure by the company. The nature of the exploration programs completed are wide ranging and reflect the fact that this project is a relatively large project with numerous targets identified at different stages of assessment.

At a "grass roots" level exploration work comprised geological mapping, gossan search and soil geochemical sampling. The geological mapping exercise and new gossan discoveries have led to very significant changes to the historic perspectives. As a consequence all targets both old and new are now being reassessed and ranked. A new generation of drilling is being scheduled to recommence in the first quarter period of 2005 to test these targets.

In prospective areas where there is no previous soil geochemical data available new soil geochemical sampling program have been commenced. These geochemical surveys are detailed and systematic and now already cover an additional 15 kilometres of strike. The data for this work is currently being received and collated but numerous geochemical anomalies have already been identified.

At a prospect level Traka has also completed small reverse circulation and diamond drilling programs on several specific targets. Scout holes were drilled on sulphide nickel shots at the RAV 4 and RAV 5 prospects and a new target on the tenement boundary of the RAV 8 nickel mine was

## **Directors' Report (continued)**

tested. In each case encouraging results were received and now along with all the other targets being re-assessed they are also being scheduled for follow up work.

### ***Capricorn Joint Venture (Traka earning 60%)***

The second drilling program was completed on this project in the period being reported and a nickel drillhole intersection of 2 meters @ 1.36% Ni was returned. This intersection plus lower grade mineralisation in the near vicinity indicates the presence of a nickel shoot. Further drilling to test this shoot has been planned to commence within the month.

The discovery of nickel in the Capricorn Joint Venture ground is new for the region in general and adds considerable impetus to Traka's original objective to partake in exploration of a new nickel area testing new concepts and styles of nickel mineralisation.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

**P Verbeek**

Managing Director

8<sup>th</sup> Day of March 2005

**TRAKA RESOURCES LIMITED (ACN 103 323 173)****STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004**

	Note	31/12/04 \$	31/12/03 \$
<b>REVENUE</b>			
Revenues from ordinary activities	2	<u>69,492</u>	<u>21,839</u>
<b>Total revenue</b>		<b>69,492</b>	<b>21,839</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>			
Depreciation expense		7,271	1,138
Employee benefits expense		6,169	24,644
Exploration expenditure written off		527,557	578,682
Other expenses from ordinary activities		<u>160,849</u>	<u>28,565</u>
<b>Total expenses from ordinary activities</b>	3	<b>701,846</b>	<b>633,029</b>
<b>Loss from ordinary activities before income tax expense</b>		<u>(632,354)</u>	<u>(611,190)</u>
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
<b>Loss from ordinary activities after income tax expense</b>		<u>(632,354)</u>	<u>(611,190)</u>
<b>Net loss</b>		<u>(632,354)</u>	<u>(611,190)</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<u>(632,354)</u>	<u>(611,190)</u>
Basic earnings per share	6	(1.99 cents)	(4.12 cents)

*The statement of financial performance is to be read in conjunction with the accompanying notes to the financial statements.*

**TRAKA RESOURCES LIMITED (ACN 103 323 173)****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2004**

	<b>31/12/04</b>	<b>30/06/04</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash assets	<b>1,943,821</b>	2,564,043
Receivables	<b>38,185</b>	31,571
Other	<b>2,005</b>	-
<b>TOTAL CURRENT ASSETS</b>	<b><u>1,984,011</u></b>	<u>2,595,614</u>
<b>NON-CURRENT ASSETS</b>		
Deferred exploration expenditure	<b>11</b>	-
Property, plant and equipment	<b>38,355</b>	40,206
<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>38,366</u></b>	<u>40,206</u>
<b>TOTAL ASSETS</b>	<b><u>2,022,377</u></b>	<u>2,635,820</u>
<b>CURRENT LIABILITIES</b>		
Payables	<b>93,316</b>	88,634
<b>TOTAL LIABILITIES</b>	<b><u>93,316</u></b>	<u>88,634</u>
<b>NET ASSETS</b>	<b><u>1,929,061</u></b>	<u>2,547,186</u>
<b>EQUITY</b>		
Contributed equity	<b>4,136,762</b>	4,136,762
Accumulated losses	<b>(2,207,701)</b>	(1,589,576)
<b>TOTAL EQUITY</b>	<b><u>1,929,061</u></b>	<u>2,547,186</u>

*The statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.*

**TRAKA RESOURCES LIMITED (ACN 103 323 173)****STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004**

	<b>31/12/04</b>	31/12/03
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	<b>68,898</b>	21,839
Other income received	<b>594</b>	-
Cash payments in the course of operations	<b>(160,907)</b>	(91,122)
<b>Net cash flows from operating activities</b>	<b>(91,415)</b>	(69,283)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	<b>(1,355)</b>	(13,498)
Payments for exploration, evaluation and development	<b>(527,557)</b>	(578,682)
<b>Net cash flows from investing activities</b>	<b>(528,912)</b>	(592,180)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issue of share capital	-	4,360,000
Payments associated with the issue of share capital	-	(423,377)
	-	3,936,623
<b>Net increase/(decrease) in cash held</b>	<b>(620,327)</b>	3,275,160
Cash at the beginning of the half-year	<b>2,564,148</b>	64,541
<b>Cash at the end of the half-year</b>	<b>1,943,821</b>	3,339,701

*The statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004**

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**1. BASIS OF PREPARATION**

This general-purpose financial report for the interim half-year reporting period ended 31 December 2004 has been prepared in accordance with Accounting Standard AASB 1029 Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative announcements of the Australian Accounting Standards Board and the Corporations Act 2001.

This Interim Financial Report has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

Unless otherwise stated, policies adopted in the preparation of the interim financial report are consistent with those of the previous accounting period.

**2. REVENUE FROM ORDINARY ACTIVITIES**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from outside the operating activities</b>		
Interest income	68,898	21,839
Other revenue	594	-
Total Revenue from Ordinary Activities	<u>69,492</u>	<u>21,839</u>

**3. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
Loss from ordinary activities before income tax has been arrived at after charging the following items:		
Consultant fees	-	2,214
Directors fees	32,700	7,167
Exploration expenditure written off	527,557	578,682
Depreciation:		
- Plant and equipment	7,271	1,138
Management	32,454	-
Secretarial & administration fees	29,636	-
Office rent and outgoings	9,750	1,087
Printing and stationery	2,565	954
Subscriptions	380	180
Travel and accommodation	10	3,946
Other	47,496	20,184



**TRAKA RESOURCES LIMITED (ACN 103 323 173)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004**

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**4. DIVIDENDS**

No dividends were paid or declared payable during or since the half-year.

**5. EQUITY SECURITIES ISSUED**

	Half-year 2004 Shares	Half-year 2004 \$
There were no issues of ordinary shares during the half-year.	Nil	Nil

On the 15 February 2005, 50,000 options with an exercise price of \$0.20 and an expiry date of 31 December 2009 were issued under the Employee Share Plan.  
In addition there are 2,000,000 options exercisable at 35 cents and expiring on 10 October 2008 on issue.

**6. EARNINGS PER SHARE**

	2004 Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	31,700,000

**7. EVENTS SUBSEQUENT TO BALANCE DATE**

No significant events have occurred subsequent to balance date that would have a material affect on the interim financial report other than the issue of 50,000 Options exercisable at 20 cents issued under the Employee Option Plan on 15 February 2005.

**8. SEGMENT INFORMATION**

(a) Business segments

Company operates predominantly in one industry. Its principal activities are those of prospecting and mineral exploration.

(b) Geographical segments

The Company operates only in Australia.

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004**

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**9. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Australian Accounting Standards Board (AASB) is adopting the International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the company's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Company has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with IFRS.

The key potential implications of the conversion to IFRS on the company are as follows:

(a) Income Tax

Income tax will be calculated on the "balance sheet" approach, which will result in more deferred tax assets and liabilities, as tax effects follow the underlying transaction, some tax effects will be recognised in equity.

(b) Equity-based compensation benefits

Equity-based compensation in the form of shares and options will be recognised as expenses in the periods during which the employee provides related services.

(c) Comparatives

Changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

(d) Exploration for and evaluation of mineral resources

The Company is currently addressing the issues and effects of the impact of IFRS.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to IFRS, as not all standards have yet been analysed and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to IFRS on the Company's financial position and reported results.

**DIRECTORS' DECLARATION**

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The directors declare that the financial statements and notes set out on pages 4 to 9:

- (a) comply with Accounting Standards, the Corporations Regulations (2001) and other mandatory professional reporting requirements, and
- (b) give a true and fair view of the entity's financial position as at 31 December 2004 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act (2001); and
- (b) there are reasonable grounds to believe that Traka Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

**P Verbeek**  
Managing Director

Perth, Western Australia  
8th March 2005

**Horwath Perth**

ABN 13 412 308 092

*Chartered Accountants*

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**Independent review report to the members of  
Traka Resources Limited****Scope***The financial report and directors' responsibility*

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Traka Resources Limited, for the half-year ended 31 December 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

*Review approach*

We conducted an independent review in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and the Corporations Act 2001, so as to present a view which is consistent with our understanding of the entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Traka Resources Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the entity's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

Dated at Perth on this the 8<sup>th</sup> day of March 2005.

**HORWATH PERTH**

*Chartered Accountants*

HORWATH PERTH

GLYN O'BRIEN

**GLYN O'BRIEN**

Partner

**Horwath Perth**

ABN 13 412 308 092

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8 March 2005

The Board of Directors  
Traka Resources Ltd  
PO Box 601  
WEST PERTH WA 6872

**AUDITOR'S INDEPENDENCE DECLARATION**

This declaration is made in connection with our half-year review of the financial report of Traka Resources Limited for the period ended 31 December 2004 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this review;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this review.

Yours faithfully

**HORWATH PERTH***Chartered Accountants*

HORWATH PERTH

GLYN O'BRIEN

**GLYN O'BRIEN**

Partner