



# TRAKA RESOURCES LTD

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

## Quarterly Activity Report for the three months ended 31<sup>st</sup> March 2004

### OVERVIEW

#### ***Ravensthorpe Gold Project:***

- Encouraging RC drillhole intersections have been returned from a number of targets drilled on this project which significantly upgrades the overall potential. The 4 best intersections were:

Drillhole RAGC001 2m @ 9.33g/t Au

Drillhole RAGC003 20m @ 2.93g/t Au including 6m @ 5.70g/t Au

Drillhole RAGC018 1m @ 131.24g/t Au

Drillhole RAGC019 15m @ 5.31g/T Au

- An accelerated exploration program on this project which will include mapping, geochemistry, geophysics and drilling is now being planned.

#### ***Ravensthorpe Nickel Project***

- An RC drilling program to test 3 nickel targets commenced last week. This work follows data compilation plus completion of a high resolution aeromagnetic survey.
- Data compilation and an aeromagnetic survey of the northern portion of the Mt Short Area has been completed. A number of strongly anomalous ultramafic horizons have been defined for follow-up subsurface geochemical programs.

#### ***Capricorn Joint Venture:***

- A Downhole Electromagnetic (DHEM) survey on the two targets drilled last quarter was completed last week. Off-hole anomalies have been detected in both holes and additional drilling programs are now being planned.

## **The Ravensthorpe Gold Project:**

Encouraging drill results have been returned from an RC drilling program (20 holes for 1507m) recently completed on the Ravensthorpe Gold Project. This drill program tested just 4 targets, of the many already identified to provide an early indication of the overall potential of this area. It is pleasing to report that this first phase has significantly upgraded the overall scope of the project and as a consequence an accelerated exploration work program that will include mapping, geochemistry, geophysics and drilling is now being planned.

A brief description of each of the targets drilled follows:

### The Sirdar Prospect:

Ten RC drill holes have been drilled into the Sirdar Prospect over a strike length of 170m. The drill holes were positioned at irregular intervals to test specific mineralized zones around old mine workings as well as to test old drill-holes intersections obtained by previous explorers. Previous exploration work on this prospect ceased in the mid 1980's because continuity between the known mineralisation in the old abandoned underground workings and individual drillhole intersections could not be established.

Traka's drilling program highlights the fact that the gold mineralisation intersected in both the old and new drill holes is associated with a broad zone (>50m wide) of alteration within quartz/feldspar porphyries, amphibolites and dolerites. The alteration zone is coincident with an IP and geochemical anomaly that strikes for several hundred metres both north and south of the area drilled. Numerous drillhole intersections were returned in Traka's drilling program and these are presented in Table 1 below. A number of the holes have stopped in mineralisation and the system remains open at depth and along strike. The result is encouraging in that the mineralised area has been significantly expanded from what was originally known. However, it is also apparent that there remains a degree of complexity in the controls for mineralisation which prevents an overall conclusion. Methodical compilation of the drill data is currently underway to resolve the geological setting for mineralisation as well as to allow effective targeting of future drilling programs.

Within the alteration zone there appear to be at least two cross-cutting quartz lodes, which were the principal focus of the old mining and prospecting activity as well the target of the old drilling campaigns. Previous drilling programs were orientated in a grid north direction to test the cross-cutting features while Traka's drill program has been orientated grid west to test the dominant geochemical and IP anomaly trend.

Old drillhole intersections attributed to the most northerly of the cross-cutting lodes are shown in Table 2. No significant mining has occurred on this lode although there are shallow workings present on surface. The second cross-cutting lode has been mined over about 20m strike to about 25m depth. There is no drilling below this lode.

The previous explorers also obtained other high grade and wide intersections of similar tenure as that achieved by Traka within the 170m long zone but because there is still uncertainty as to their validity they have not at this stage been quoted.

**Table 1 Sirdar Prospect drill intersections ( $\geq 1\text{g/t Au}$ )**

Hole	North	East	Dip	Azimuth	From (m)	To (m)	Width (m)	Au g/t
RAGC003	6284198	226747	-60	132	19	21	2	3.58
RAGC003					39	40	1	2.63
RAGC003					42	44	2	7.04
RAGC004	6284213	226732	-60	132	77	78	1	1.70
RAGC005	6284178	226724	-60	131	40	41	1	2.65
RAGC006	6284190	226710	-60	131	52	72	20	2.93
RAGC006				Incl	53	59	6	5.70
RAGC007	6284164	226705	-60	132	55	57	2	2.55
RAGC008	6284175	226691	-60	130	21	22	1	1.15
RAGC008					30	31	1	1.62
RAGC018	6284130	226693.7	-60	130	30	31	1	6.80
RAGC018					32	36	4	2.38
RAGC018					37	41	4	2.57
RAGC018					73	74	1	131.24
RAGC019	6284149	226696	-60	130	53	68	15	5.31
RAGC019				Incl	59	63	4	9.45

\*All co-ordinates are in AMG84 Zone 51

\*No cutoff grades applied

**Table 2 Sirdar Prospect old drill intersections ( $\geq 1\text{g/t Au}$ )**

Hole	North	East	Dip	Azimuth	From (m)	To (m)	Width (m)	Au g/t
RR138	6284183	226754	-60	44	27	30	3	4.79
SRC002	6284175	226751	-60	44	34	40	6	10.01
RR139	6284167	226746	-60	44	46	48	2	48.00
SRC003	6284152	226734	-60	44	68	70	2	14.60

\*All co-ordinates are in AMG84 Zone 51

\*No cutoff grades applied

### The Maori Queen Prospect:

Four relatively evenly spaced drill holes drilled at  $-60^\circ$  dip tested a 140m long zone about 20m below the deepest portion of the historic Maori Queen underground mine workings and at about 60m depth from surface. The significant intersections are presented in Table 3 and brief a description of the prospect follows.

**Table 3 Maori Queen Prospect drill intersections ( $\geq 1\text{g/t Au}$ )**

Hole	North	East	Dip	Azimuth	From (m)	To (m)	Width (m)	Au g/t
RAGC001	6284449	227162	-60	131	30	32	2	4.37
RAGC001					61	63	2	3.83
RAGC001					67	69	2	9.33
RAGC002	6284406	227133	-60	132	51	52	1	1.94
RAGC002					58	60	2	5.49
RAGC016	6284371.5	227111	-60	130	30	31	1	1.51
RAGC016					54	55	1	3.81

\*All co-ordinates are in AMG84 Zone 51

\*No cutoff grades applied

The Maori Queen mineralisation is associated with a wide zone ( $\geq 10\text{m}$ ) of alteration which includes within it a high grade narrow zone which correlates with the mine workings above. Historic records for the Maori Queen reported production of 5900 tonnes @ 24g/t Au from a lode between 0.9 and 2.3m wide which dips steeply west. This is confirmed by the drilling completed to date. Intersections in drillhole RAGC 1 and 2 which are 50m apart and lie directly below the mine workings indicate vertical continuity of the high grade mineralisation at depth. Several other parallel mineralized zones not previously detected have also been intersected in the hanging wall position to the main line of workings.

Drill holes RAGC 15 and 16 drilled about 40m either side of RAGC1 and 2 also intersected the main line of lode but the grade of the intersections were significantly lower. The underground workings, which are now inaccessible, extend over about 100m length and it is possible that drill holes RAGC15 and RAGC16 are indicating the weaker marginal zone of a central high grade shoot. More drilling to confirm this interpretation as well as to test the parallel lines of mineralisation is required.

The Maori Queen workings occur on the northern portion of a coincident gold soil geochemical and Induced Polarization (IP) anomaly which extends for over 500m to the south. Numerous shallow prospecting pits including the historic Maori Chief Mine workings as well as old wide spaced shallow drilling has tested parts of this anomaly at different stratigraphic and structural positions. Some encouraging drillhole intersections were returned (best result 1m @ 8.9g/t Au from 15m depth) but this work is so widely spaced and shallow (40m depth) that the anomaly effectively remains untested. The presence of other high grade shoots within the 500m long anomaly is considered likely and further exploration work is readily justified.

#### The Ellendale and F3 Prospects:

Four drillholes were completed at the Ellendale Prospect and two at the F3 Prospect. The significant assay results for these prospects are presented in Table 4 and 5.

**Table 4 Ellendale Prospect drill intersections ( $\geq 1\text{g/t Au}$ )**

Hole	North	East	Dip	Azimuth	From (m)	To (m)	Width (m)	Au g/t
RAGC012	6284698	226506	-60	130	41	42	1	1.39
RAGC012					44	45	1	6.55

\*All co-ordinates are in AMG84 Zone 51

\*No cutoff grades applied

The drilling undertaken on these prospects was reconnaissance in nature and designed to test specific peaks of anomalism in long zones of coincident geochemical and IP anomalism. The Ellendale geochemical anomaly extends over 1km in length and the drilling undertaken is below the old Ellendale Mine workings. Drilling at the F3 Prospect is centred over one peak of anomalism along a 500m long trend.

The drilling on both prospects indicates that gold mineralisation on both prospects is associated with the same host rocks and alteration assemblage as that observed at the Sirdar and Maori Queen Prospects.

**Table 5 F3 Prospect drill intersections ( $\geq 1\text{g/t Au}$ )**

Hole	North	East	Dip	Azimuth	From (m)	To (m)	Width (m)	Au g/t
RAGC014	6285085	226047	-60	130	53	54	1	1.27

\*All co-ordinates are in AMG84 Zone 51

\*No cutoff grades applied

## The Ravensthorpe Nickel Project:

### *The Jerdacuttup Area:*

An RC drilling program of about 1000m commenced last week on 3 previously defined geological and electromagnetic targets in the southern Jerdacuttup Area of the Ravensthorpe Nickel Project. Drilling on two of the targets (B1 and Jem 4) is reconnaissance in nature and the first drilling programs on these targets undertaken by Traka. Drilling on the third target (RAV 5 Prospect) is to test for the extension of nickel mineralisation intersected in drillhole RAVD101 last quarter.

The B1 target strikes over about a 1km distance and encompasses several ultramafic units within a mafic and sedimentary rock sequence. There are a number of targets to be evaluated at B1 but in this program just two of these are to be drilled. The first target is a Moving Loop Electromagnetic (MLEM) target extending over 400m length on the northern portion of the B1 area. The MLEM target is interpreted as a shallow south dipping conductor consistent with the sort of response expected from the presence of small massive sulphide body.

The second target in the centre of the B1 target area will test a stratigraphic horizon between old drillhole intersections 7.62m @ 1.02% Ni (drillhole DB1/1 between 21 and 29m depth) and another intersection on the same cross section of 4.57m @ 1.10% Ni (drillhole DB1/10 between 193 and 198m depth). The exact location of the old holes is not known and this horizon has remained untested until the current program.

The Jem 4 target is located along strike and about 1km west of the RAV 8 Nickel Mine and some 10km east of B1. The target is a MLEM anomaly located on the basal contact of an ultramafic unit. A plate like conductor striking over about 200m strike length and dipping south on the basal contact is interpreted to account for the anomaly.

Drilling on the RAV 5 target is designed to follow up on the encouraging intersection returned last quarter from drillhole RAVD101 (1.4m @ 1.98% Ni and 0.52m @ 1.8% Ni on the basal contact at 170m depth).

Aside from the drilling program discussed above compilation of the exploration data base has also continued during the quarter. The high resolution aeromagnetic survey scheduled for the quarter has been completed and this is being used to refine the geological mapping and interpretations. A number of previously located targets will be reassessed in light of the new data and it is expected that a number of new targets will also be highlighted.

### *The Mt Short Area:*

Compilation of the old WMC data base has commenced and the position of old drill holes and geochemical anomalies has been established. As previously indicated this data shows that there are several strongly anomalous ultramafic horizons trending through the Mt Short Area. These strike over many kilometres length and it is clear that there has been limited and in some cases no follow-up work ever undertaken on these anomalies. Numerous subsurface geochemical values between 0.5 and 0.9% Ni at depths of 5 to 30m define the anomalism trends along favourable cumulate ultramafic horizons. The Mt Short Gossan Prospect, which still remains to be tested and is also associated with geophysical anomalies, occurs on one of the ultramafic horizons.

Additional sub surface geochemical programs are now being planned to establish the exact position, tenure and continuity of the basal contact position of the ultramafic units. In the northern portion of the Mt Short Area the newly acquired high resolution aeromagnetic survey data is also being used to assist in this process. Completion of this phase of work will allow systematic ranking of the various targets ahead of RC and diamond drilling.

### **The Capricorn Joint Venture:**

A Down Hole Electromagnetic (DHEM) survey was completed last week on the two Moving Loop Electromagnetic targets (MLEM) drilled last quarter.

The DHEM survey on the first of these targets (the Millipede Prospect) confirms the presence of two conductors. The first conductor is inhole and relates to the sulphides and intersections previously reported in drillhole CP001 i.e. 5m at 0.31% Ni between 124m and 129m depth and 6m at 132m to 138m depth. The peak of this inhole response is modelled to occur below the current intersection. However, a second off-hole conductor is also modelled to occur to the right and above the hole at about 125m depth. The DHEM response indicates that this is a better conductor than that tested inhole.

The DHEM survey completed on the second target, 1.5m west of the Millipede Prospect, indicates the presence of a conductor off-hole from drillhole CP003. The conductor is located at about 100m depth and is left of the hole.

The DHEM survey on drillhole CP001 and CP003 is encouraging and further drilling to test the new targets is warranted and will now be planned.

## **Quarterly Exploration Expenditure:**

Exploration Expenditure for the three month period ending March 2004 was \$344,000.

For any additional information please contact:

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29<sup>th</sup> April 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.