



Traka Resources Limited

ABN: 63 103 323 173

14 March 2008

Company Announcements Office

ASX Limited

PO Box H224 Australia Square

SYDNEY NSW 2000

Dear Sir / Madam

Interim Financial Report for the half year

We attach the Interim Financial Report for the half year ended 31 December 2007.

Yours faithfully

Peter Rutledge

Company Secretary

TRAKA RESOURCES LIMITED

ABN 63 103 323 173

INTERIM FINANCIAL REPORT

FOR HALF YEAR ENDED 31 DECEMBER 2007

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by Traka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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Directors

Neil Tomkinson LLB (Hons) Non-Executive Chairman
Patrick Verbeek BSc, MAusIMM Managing Director
George Petersons Non Executive Director
Joshua Pitt BSc, MAusIMM, MAIG Non Executive Director

Company Secretary

Peter Rutledge BSc, CA, FFin

Principal and Registered Office

Suite 2 Ground Floor
43 Ventnor Avenue
West Perth WA 6005

Auditor

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008

Share Register

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Tce
PERTH WA 6000
Telephone (08) 9323 2000
Facsimile (08) 9323 2033

Stock Exchange Listing

Traka Resources Limited shares (TKL) are listed on the
Australian Securities Exchange

TRAKA RESOURCES LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Your Directors present their report on Traka Resources Ltd ("Traka" or the "Company") for the half-year ended 31 December 2007.

DIRECTORS

The following persons were directors of the Company during the whole of the half-year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Neil Tomkinson
Patrick Andrew Verbeek
George Juris Petersons
Joshua Norman Pitt

REVIEW OF OPERATIONS

The Ravensthorpe Nickel Project:

(IGO earning 51%)

The Independence Group NL ("IGO") has maintained an active exploration program on this project as well as completing work on a Mine Scoping Study. Most recently exploration work has principally comprised a number of different types of Electro Magnetic ("EM") programs on specific target areas as well as over larger portions of the project as a whole. EM surveys have now almost covered the whole project. The geophysical data generated by the latest EM survey is being processed but a number of drill targets have already been highlighted. Drill testing of a number of these targets will be undertaken at the first available opportunity.

The exploration programs currently underway will continue the search for new stand alone nickel sulphide discoveries. The Mine Scoping Study results indicated marginal economic returns for mining the existing low grade resources on the project and therefore further work was not justified.

The Ravensthorpe Iron Ore Project:

Exploration programs comprising mapping and data collation continue on the Ravensthorpe Iron Ore project in preparation for drilling programs. The Iron Ore potential associated with Banded Iron Formation type host rocks as well as that associated with oxidised hematitic buried massive sulphide bodies is being investigated.

The Iron Ore potential in the Ravensthorpe region extends over about 13 kilometres within Traka's tenements and another 17 kilometres within tenements held by Tectonic Resources NL, Pioneer Nickel Ltd, and Galaxy Resources Ltd. In order to facilitate ongoing exploration work and provide the best possible conditions for advancement of this opportunity an informal exploration alliance has been formed with these companies. Each of the alliance partners will continue to fund the exploration work on their own tenements and there is no commitment between the parties to progress together with any successful development that may eventuate.

The Musgrave Project:

Traka now has 13 exploration licence applications in the Musgrave region covering about 6500 square kilometres of ground. A considerable amount of research and data collation has been completed while negotiations with the Ngaanyatjarra Council for access have been underway. This project as a whole is particularly prospective for base metals, the platinum group of metals ("PGM"), uranium and gold and has been subdivided into four areas; Mt Blyth, Latitude Hill, Amy Giles and Mt Holt. It is anticipated that

TRAKA RESOURCES LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Access Agreements will be finalised for at least some of the tenements in the near future so that field exploration programs can commence in the upcoming field season.

The Hopetoun and Lort River Projects:

Exploration Licence applications have been made in the Salmon Gums and Ravensthorpe regions for tenements particularly prospective for gold and uranium. These tenements straddle the major tectonic contact zone between the Yilgarn Craton and Proterozoic aged rocks of the Fraser Orogen. Desk top studies and data collation is underway while grant of the tenements is awaited.

Project Generation:

The company continues an active program of project generation to add to its portfolio of interests.

FINANCIAL POSITION

At the end of the half-year the Company had cash balances of \$1,510,339 and total net assets of \$1,672,697.

Total liabilities amounted to \$46,814 and were limited to trade and other creditors and employee entitlements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

This report is made in accordance with a resolution of the Directors



NEIL TOMKINSON
Chairman

Dated the 13th day of March 2008

TRAKA RESOURCES LIMITED
CONDENSED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	31 December 2007 \$	31 December 2006 \$
Revenue from continuing operations	93,364	18,271
Exploration and evaluation expenditure	(228,502)	(112,873)
Employee benefits expense	(49,782)	(151,190)
Depreciation	(12,868)	(8,395)
Administration expenses	(226,810)	(196,165)
Loss before income tax	(424,598)	(450,352)
Income tax expense	-	-
Net loss attributable to members of the Company	(424,598)	(450,352)
	cents	cents
Basic and diluted loss per share	(0.95)	(1.30)

The above Condensed Income Statement should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED
CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2007

	31 December 2007 \$	30 June 2007 \$
Current Assets		
Cash and cash equivalents	1,510,339	2,086,566
Trade and other receivables	81,944	31,086
Total current assets	1,592,283	2,117,652
Non-current Assets		
Property, plant and equipment	127,228	22,730
Total non-current assets	127,228	22,730
Total assets	1,719,511	2,140,382
Current Liabilities		
Trade and other payables	22,097	33,010
Provisions	24,717	10,076
Total current liabilities	46,814	43,086
Total liabilities	46,814	43,086
Net assets	1,672,697	2,097,296
Equity		
Contributed equity	6,421,879	6,421,879
Reserves	212,680	212,680
Accumulated losses	(4,961,862)	(4,537,263)
Total equity	1,672,697	2,097,296

The above Condensed Balance Sheet should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR HALF YEAR ENDED 31 DECEMBER 2007

	Contributed Equity	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
As at 1 July 2006	4,419,760	36,400	(3,948,805)	507,355
Loss for the period	-	-	(450,352)	(450,352)
Total recognised income and expense for the period	-	-	(450,352)	(450,352)
Issue of shares	2,002,119	-	-	2,002,119
Issue of options	-	133,000	-	133,000
	2,002,119	133,000	-	2,135,119
As at 31 December 2006	6,421,879	169,400	(4,399,157)	2,192,122
As at 1 July 2007	6,421,879	212,680	(4,537,264)	2,097,295
Loss for the period	-	-	(424,598)	(424,598)
Total recognised income and expense for the period	-	-	(424,598)	(424,598)
As at 31 December 2007	6,421,879	212,680	(4,961,862)	1,672,697

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED
CONDENSED CASH FLOW STATEMENT
FOR HALF YEAR ENDED 31 DECEMBER 2007

	31 December 2007 \$	31 December 2006 \$
Cash flows from operating activities		
Interest received	57,203	18,271
Other revenue received	35,199	-
Payments to suppliers and employees (including GST)	(551,263)	(127,722)
Net cash outflow from operating activities	(458,861)	(109,451)
Cash flows from investing activities		
Payments for plant & equipment	(117,366)	(1,603)
Net cash outflow from investing activities	(117,366)	(1,603)
Cash flows from financing activities		
Proceeds from issue of shares	-	2,015,200
Share issue transaction costs	-	(13,080)
Net cash inflow from financing activities	-	2,002,120
Net increase/(decrease) in cash and cash equivalents	(576,227)	1,891,066
Cash and cash equivalents at the beginning of the half year	2,086,566	346,889
Cash and cash equivalents at the end of the half year	1,510,339	2,237,955

The above Condensed Cash Flow Statement should be read in conjunction with the accompanying notes

TRAKA RESOURCES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 31 DECEMBER 2007

NOTE 1. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Traka Resources Limited as at 30 June 2007.

It is also recommended that the half-year financial report be considered together with any public announcements made by Traka Resources Limited during the half-year ended 31 December 2007 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of Accounting

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

The half-year financial report has been prepared on the accruals basis and is based on historical cost modified for financial assets and liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Traka Resources Limited is a listed public company, incorporated and domiciled in Australia.

(b) Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual Financial Report for the year ended 30 June 2007.

NOTE 2. SEGMENT INFORMATION

The Company operates predominantly in one business segment, being mining and exploration and in one geographical segment being Australia.

NOTE 3. DIVIDENDS

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

TRAKA RESOURCES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 31 DECEMBER 2007

	31 December 2007 No.	31 December 2006 No.	31 December 2007 \$	31 December 2006 \$
NOTE 4. EQUITY SECURITIES ISSUED				

**Ordinary fully paid shares issued
during the half year**

Pro-rata non-renounceable issue	-	11,195,550	-	2,002,119
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**Options to acquire ordinary shares
issued during the half year**

Grant of options to a director pursuant to shareholder approval	-	1,000,000	-	133,000
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NOTE 5. EARNINGS PER SHARE

	Cents	Cents
Basic and diluted loss per share (cents per share)	(0.95)	(1.30)
	No.	No.
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	44,782,202	34,749,032
	\$	\$
The loss used in the calculation of basic and diluted earnings per share is the loss before income tax as shown on the Condensed Income Statement	(424,598)	(450,352)

NOTE 6. EVENTS OCCURRING AFTER BALANCE DATE

No significant events have occurred subsequent to balance date that would have a material effect on the interim financial report.

TRAKA RESOURCES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 31 DECEMBER 2007

	31	31
December	December	December
2007	2007	2006
\$	\$	\$

NOTE 7. COMMITMENTS FOR EXPENDITURE

Lease Commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Not later than one year	22,319	49,840
Later than one year but not later than five years	-	20,767
Later than five years	-	-
	22,319	70,607

Representing:

Minimum lease payments in relation to non-cancellable operating leases	22,319	70,607
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Exploration Tenements

In order to maintain the mineral tenements in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Industry and Resources for the next financial year is set out below. The amount shown for the current half year is net of the amount expected to be paid by the party farming into the Company's Ravensthorpe Nickel Project.

Minimum estimated expenditure requirements	-	35,888
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These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

NOTE 8. CONTINGENT LIABILITIES

At the end of the financial period the Company had no contingent liabilities.

TRAKA RESOURCES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 31 DECEMBER 2007

NOTE 9. RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2007 annual financial report.

TRAKA RESOURCES LIMITED
DIRECTORS DECLARATION
FOR HALF YEAR ENDED 31 DECEMBER 2007

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 6 to 13, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2007 and of the performance for the half-year ended on that date.
2. in the directors' opinion there are reasonable grounds to believe that the Company 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 Board of Directors.



NEIL TOMKINSON
Chairman

Dated at Perth on this 13th day March 2008



BDO Kendalls

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DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF TRAKA RESOURCES LIMITED

As lead auditor for the review of Traka Resources Limited for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'Peter Toll'. The signature is stylized, with a large 'P' and 'T'.

Peter Toll
Director

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Subiaco, Western Australia
13 March 2008

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Traka Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Traka Resources Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Traka Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



BDO Kendalls

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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 the *Corporations Act 2001* including:

- (a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls
A handwritten signature in black ink, appearing to read 'Peter Toll', written over the printed name.

Peter Toll
Director

Subiaco, Western Australia.
13 March 2008.