



TRAKA RESOURCES LTD

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

Quarterly Activity Report for the three months ended 30th June 2007

Highlights

Ravensthorpe Nickel Project

- Diamond drilling for metallurgical samples has been completed on the RAV 4, RAV 4 West and RAV 1 Prospects. Assay results are awaited.
- New coincident EM and geochemical targets have been highlighted for drill testing in the Carlingup portion of the project.

Ravensthorpe Iron Ore Project

- A drilling program will be undertaken on the Ravensthorpe Iron Ore Project in the coming summer period.

The Musgrave Project

- Further tenements applications in the very prospective Musgrave region of Western Australia have been made and negotiations for access are progressing well with Ngaanyatjarra Land Council.

The Hopetoun and Lort River Projects

- New tenement applications have been made in the Hopetoun and Salmon Gums area. This ground is prospective for gold and uranium.

The Ravensthorpe Nickel Project:

(The Independence Group "IGO" Earning 51%)

The following report on the Ravensthorpe Nickel Project (Figure 1) has been provided to us by our joint venture partner the Independence Group ("IGO").

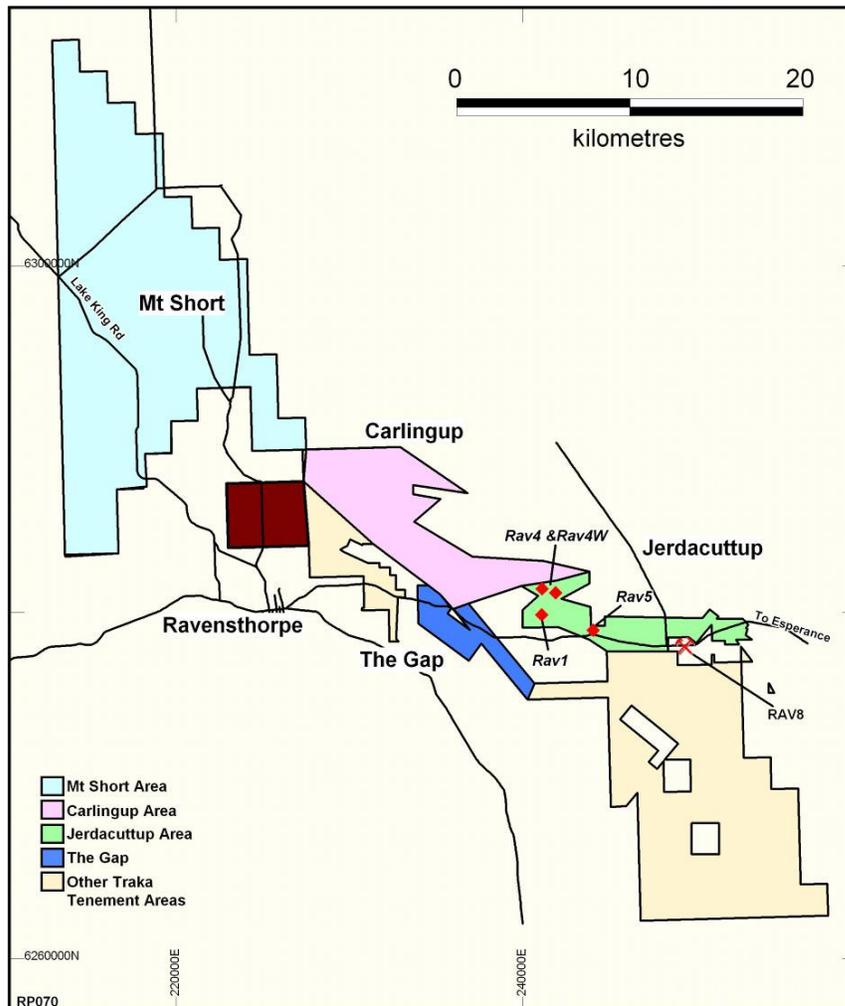


Figure 1. The Ravensthorpe Nickel Project

Quote:

RAVENSTHORPE OPTION (IGO EARNING 51% - EXCLUDING NICKEL LATERITE AND IRON)

IGO is earning a 51% interest in Traka Resources Limited's ("Traka") Ravensthorpe Nickel Project by spending \$5 million on exploration and/or development (excluding nickel laterite and iron ore rights).

The project covers about 60 kilometres of prospective ultramafic stratigraphy along strike from the RAV8 nickel sulphide deposit, which produced 443,000t at 3.46% Ni for 15,350t Ni (*Tectonic Quarterly Report 30 June 2005*).

- Scoping study

A scoping study to provide a preliminary appraisal of the viability of mining the shallow low-grade nickel mineralisation located at the RAV1, RAV 4, and RAV 4 West prospects in the Jerdacuttup area is in progress. Exploration and wide spaced drilling on these prospects by former exploration companies and more recently by Traka and IGO has confirmed the presence of nickel gossans at surface and nickel sulphide mineralisation extending to depth.

The Prospects being evaluated have been drilled to varying degrees of confidence (none to Indicated Resource JORC standard) but in each case sulphide mineralisation in disseminated and massive sulphide form occurs as broad sheet-like bodies on a gently south to south-east dipping basal contact of ultramafic rocks on quartzites.

During the quarter a HQ triple tube diamond drilling program comprising 10 holes for 721.4m was undertaken to obtain ore grade material from the RAV1, RAV4 and RAV4W prospects for metallurgical testwork. Once assay results have been received, suitable core will be selected to undergo a range of amenability tests including conventional floatation and a range of leaching methods as a guide to determine the most favourable processing route.

- Mt Short

During the quarter an EM survey, testing an extensive covered ultramafic horizon in the Mt Short area in the north western portion of the project was completed.

A number of bedrock conductors have been defined. There are several strong strike extensive conductors which from previous experience at Mt Short may represent sulphidic rich sediment horizons. However other targets, such as MS7 which is associated with RAB anomalies up to 0.63% Ni and 0.83% Cu within a broad area of surface geochemical anomalism represent high priority drill targets.

All EM anomalies are currently being evaluated and ranked in preparation for drill testing in Q3 2007.

- High Powered Electromagnetic Transmitter

Independence Group together with Curtin University have developed a high powered electromagnetic transmitter approximately ten times more powerful than conventional transmitters which is intended to enable detection of conductors at significantly deeper levels.

It is intended to use the system to test the down plunge potential of a number of the nickel sulphide occurrences within the Ravensthorpe JV including RAV1, RAV4 and RAV4W. The upper zones of the occurrences are strongly violaritized and hence not detectible by EM conventional techniques, however it is expected that at depth this mineralisation will be present as more typical conductive pyrrhotite-pentlandite and therefore potentially detectible using the high powered transmitter.

End of Quote

The Ravensthorpe Iron Ore Project:

A drilling program to test the Ravensthorpe Iron Ore Project is being planned for commencement as soon as possible in the summer season. The ongoing strength in the iron ore sector plus several unsuccessful attempts to negotiate a suitable joint venture has led to this new strategy.

Previous exploration work by Traka, including aeromagnetic surveys and rock-chip sampling, has highlighted approximately 13 kilometres of prospective iron formation (Figure 2). A number of specific target areas within the stratigraphic succession with strongly anomalous rock-chip samples (> 55% Iron) coincident with aeromagnetic features have been selected for drilling in this next phase of work. The statutory obligations regarding vegetation clearance and access to the target sites have already been resolved and drilling can commence as soon as an RC drill rig can be procured and dry weather conditions prevail.

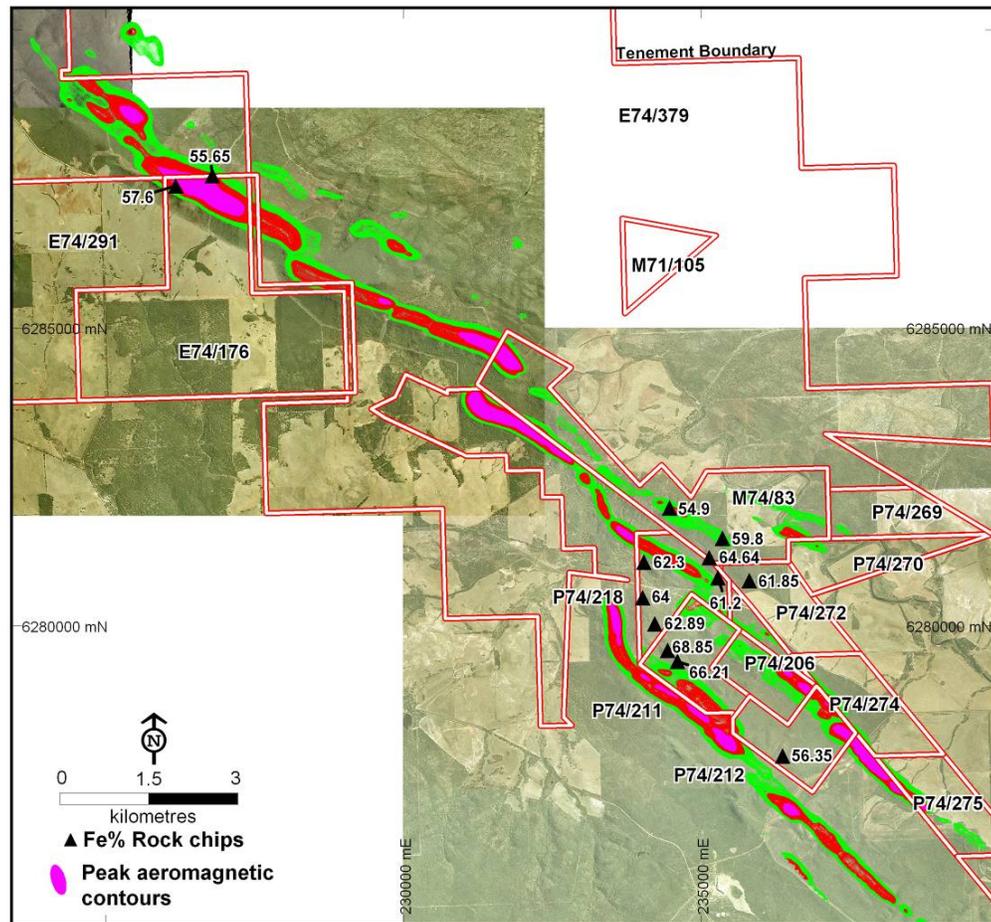


Figure 2. Orthophoto showing aeromagnetic contours and rock chip results (Fe%).

The Musgrave Project.

During the quarter period two additional exploration licences were applied for in the very prospective Musgrave Province of Western Australia. Traka now has 9 exploration licence applications covering 4650 square kilometres. These tenements are now in three separated geographic areas that have been named the Mt Blyth, Latitude Hill and Mt Holt Project areas (Figure 3).

The company's relatively recent presence in the Musgrave region represents a highly significant new focus for the company in an area which shows great potential in particular for nickel, copper, gold and PGE mineralisation. The projects are in areas that have had very limited or no exploration activity but are amenable to rapid and relatively low cost geochemical surveys. Target generation using this technique is therefore expected to comprise a significant part of the early phases of exploration work.

Preparation for field based programs is currently underway whilst negotiations with the Ngaanyatjarra Land Council for access permission are being finalized.

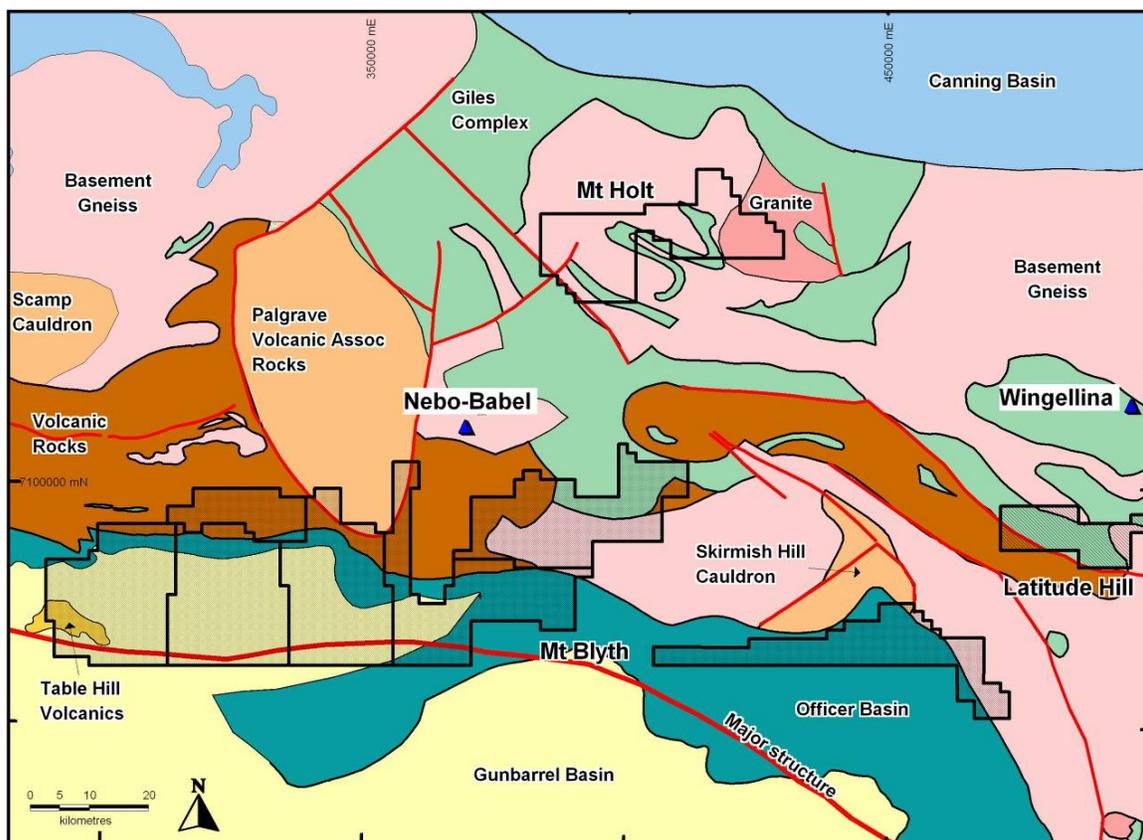


Figure 3. Geology of the Musgrave Region.

The Hopetoun and Lort River Projects.

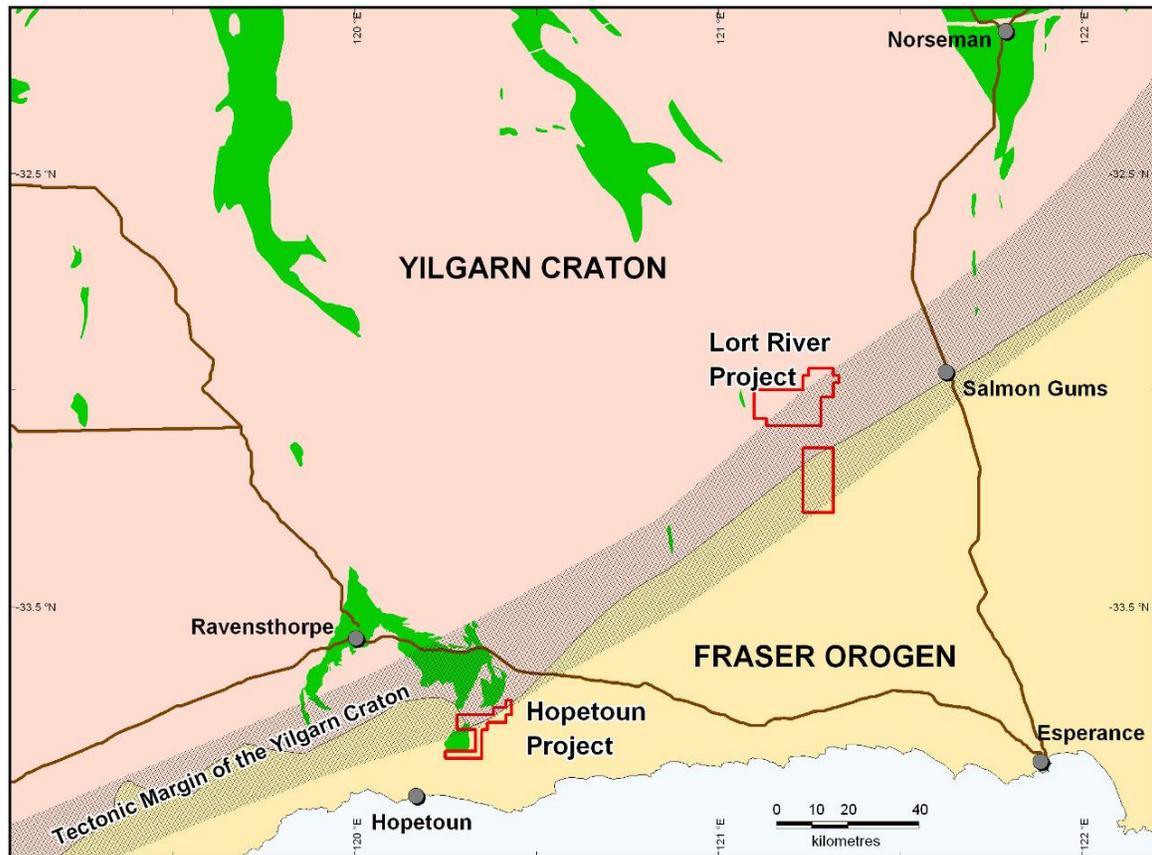


Figure 4. Geological setting of the Lort River and Hopetoun Projects.

Exploration licence applications have recently been made for ground in the Hopetoun and Salmon Gums area of Western Australia. These tenements straddle the major tectonic contact zone between the Archean Yilgarn Craton and Proterozoic aged rocks of the Fraser Orogen. This position is particularly prospective for gold hosted in a structural setting but the tenements also have potential for hosting uranium mineralisation in palaeo-channels.

A desk-top study of all relevant geological and geophysical data is underway while awaiting grant of the tenements.

Project Generation.

Continuing efforts are being made to bring new projects into the company portfolio. A number of projects and joint venture opportunities in Australia and overseas are currently being assessed.

Mr Patrick Verbeek
Managing Director

30th June 2007

The information in this report that relates to Exploration Results is based on information compiled by Mr. P. A. Verbeek the Managing Director of Traka Resources Ltd. Mr. P. A. Verbeek is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. P. A. Verbeek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

TRAKA RESOURCES LIMITED

ABN

63 103 323 173

Quarter ended ("current quarter")

30 June 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) Exploration & evaluation *	78	85
(b) Development	-	-
(c) Production	-	-
(d) Administration	(100)	(409)
* see note 1.25		
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	33	83
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material): Receipts	-	-
Net Operating Cash Flows	11	(241)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(14)	(16)
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) Payment	-	-
Net investing cash flows	(14)	(16)
1.13 Total operating and investing cash flows (carried forward)	(3)	(257)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3)	(257)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2,002
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	-	2,002
	Net increase (decrease) in cash held	(3)	1,745
1.20	Cash at beginning of quarter/year to date	2,095	347
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,092	2,092

Payments to directors of the entity and associates of the directors

Payments to 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	61
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.2a) Refunds of rental on lapsed MLA's and MLA's which have had areas reduced following grant of reversion licenses amounting to \$211,700 have resulted in net cash inflows for the 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

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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	200
4.2 Development	-
Total	

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	1,867	1,870
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposit	225	225
5.5 Other (Bank accepted bills)	-	-
Total: cash at end of quarter (item 1.22)	2,092	2,095

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	44,782,202	44,782,202		Fully Paid
7.4 Changes during quarter (7) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (7) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>		-	<i>Exercise price</i>	<i>Expiry date</i>
	2,000,000		35 cents	10 October 2008
	50,000		20 cents	31 December 2009
	1,000,000		20 cents	29 November 2010
	1,000,000		20 cents	28 December 2011
	200,000		25 cents	6 April 2012
7.8 Issued during quarter	200,000		25 cents	6 April 2012
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Peter Rutledge

Sign here: (Company secretary)

Date: **27 July 2007**

Print name: **Peter Rutledge**

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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

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