Traka Resources Limited

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15 March 2012

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Mt Short Base Metal Project - Drilling results

The Company is pleased to announce the intersection of lead and zinc mineralisation in a diamond drill program (three holes for 814.9 metres) completed recently at the Mt Short Base Metal Project (Figure 1).

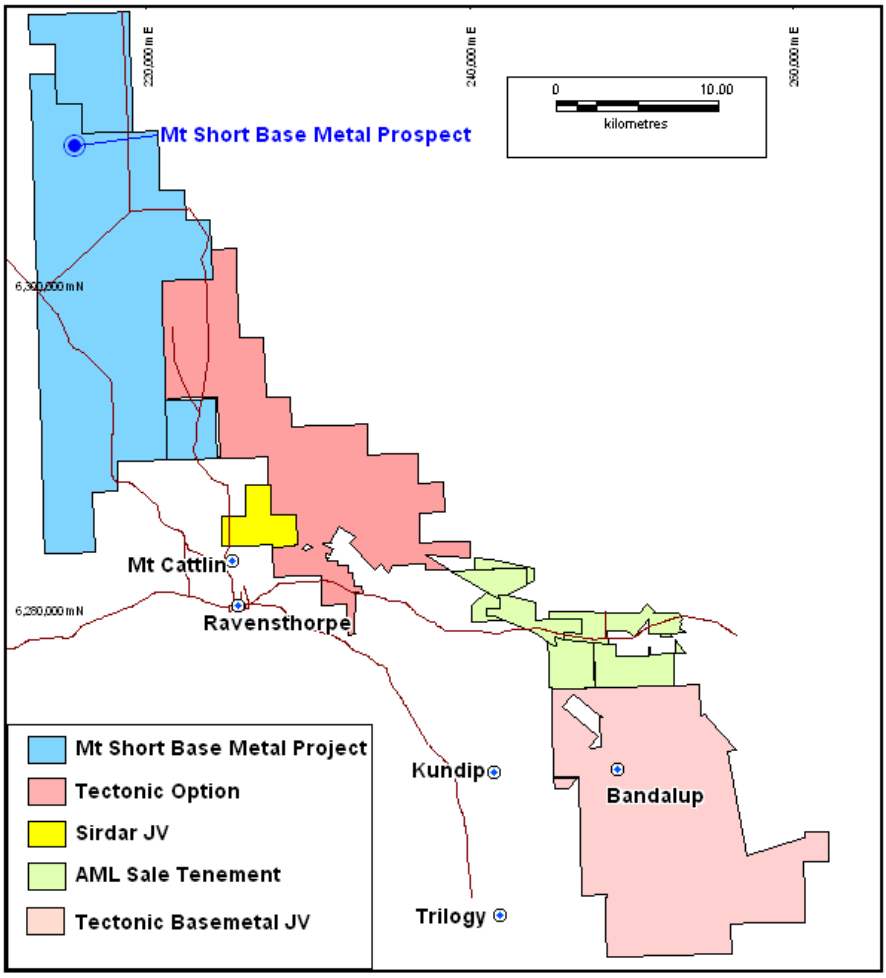

Figure1: Location plan of the Mt Short Base Metal Prospect

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The main target horizon of the Project extends over about 8 kilometres of strike and is defined by a linear, northerly trending aeromagnetic feature coincident with anomalous zinc and lead mineralisation detected in widely spaced aircore drill holes (Figure 4). A surface electromagnetic ("EM") survey along this trend highlighted the presence of 5 conductors (MS1 to MS5). These are interpreted to represent the possible focuses of mineralisation along a stratigraphic corridor and therefore provided the obvious starting point for drilling.

In the diamond program just completed one hole was drilled into each of the MS5, MS4 and MS3 conductors and the results are reported on below. Two further EM targets remain to be tested.

The single best result was on the MS5 EM target in drillhole RMSD20, which intersected 5 metres @ 2.38% zinc ("Zn"), 0.66% lead ("Pb"). This intercept occurs within a 50 metre wide (true width) zone of lower grade mineralisation. A full tabulation of all the drill results is provided in Table 1. The mineralisation at the MS5 target is stratabound and occurs in a steeply north-east dipping sequence of high metamorphic grade sedimentary rocks. This geological setting is common with many lead zinc deposits of the world.

Hole Id	EM Anomaly	East*	North*	From (m)	To (m)	Downhole Width(m)	Assay ○ Zn%	Assay Pb%
RMSD18	MS3	775,292	6,308,361	131	133	2	0.40	0.46
	MS3			125	129	4	0.37	0.68
	MS3			including 127	129	2	0.56	1.20
	MS3			122	124	2	0.32	0.08
RMSD20	MS5	774,054	6,310,606	279.3	288.3	9	1.50	0.47
	MS5			including 281.3	286.3	5	2.38	0.66
	MS5			244.3	245.3	1	0.48	0.22
	MS5			304	305	1	0.46	0.12
	MS5			239.3	241.3	2	0.38	0.09
	MS5			297	299	2	0.37	0.25
	MS5			231.3	233.3	2	0.33	0.17
	MS5			300	303	3	0.26	0.08
	MS5			274.3	275.3	1	0.21	0.08
	MS5			237.3	238.3	1	0.16	0.08
	MS5			256.3	257.3	1	0.16	0.09
RMSD21	MS4	774,241	6,309,854	215	216	1	0.12	0.004

*Coordinate System: MGA94, Zone50

○ Mineralised Interval using 0.1 % Zn bottom cut-off

Table1: Drill hole assay data for diamond drilling program on the Mt Short Base Metal Prospect

At MS5, surface EM surveying had resulted in a target modeled to be 500 x 500 metres in dimension starting at approximately 155 metres below surface. Drill hole RMSD20 provided an initial test which was followed up by a down-hole electromagnetic (DHEM) survey. This has defined an off-hole conductor situated below and to the south-east which could be explained by a large body of sulphides connected to the mineralised intercepts in the drill hole (Figure 2). Further drilling is now required to evaluate the overall potential.

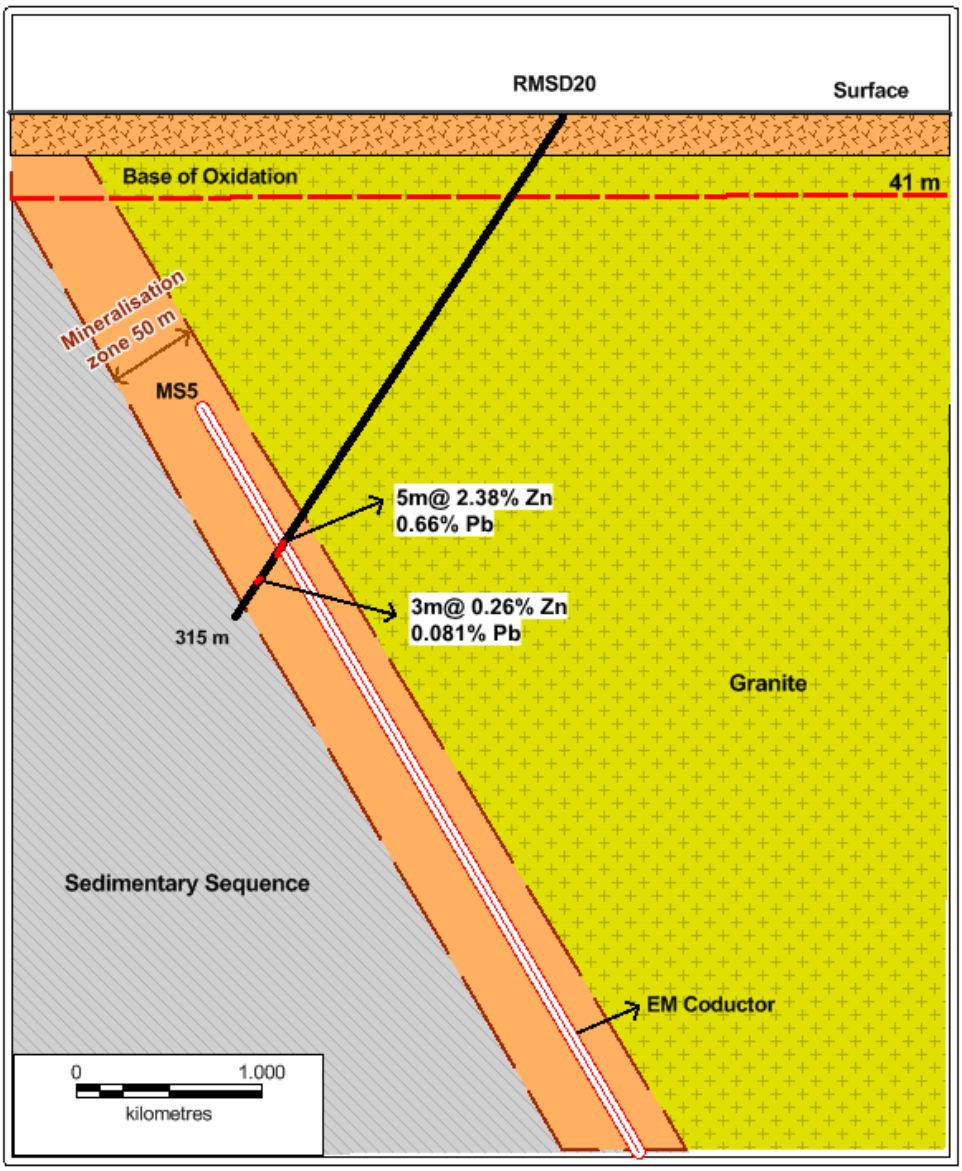

Figure 2: Schematic presentation of the MS5 target showing the drill hole RMSD20 in its geological setting, some drillhole intersection highlights and the position of the EM target

Data from earlier reverse circulation ("RC") drilling carried out 500 metres north of drillhole RMSD20 highlights the presence of a large supergene blanket of lead, zinc and copper mineralisation in this position (Figure 3). This information together with the EM response from both surface and down-hole surveys suggests a significant stratigraphic target in the MS5 location.

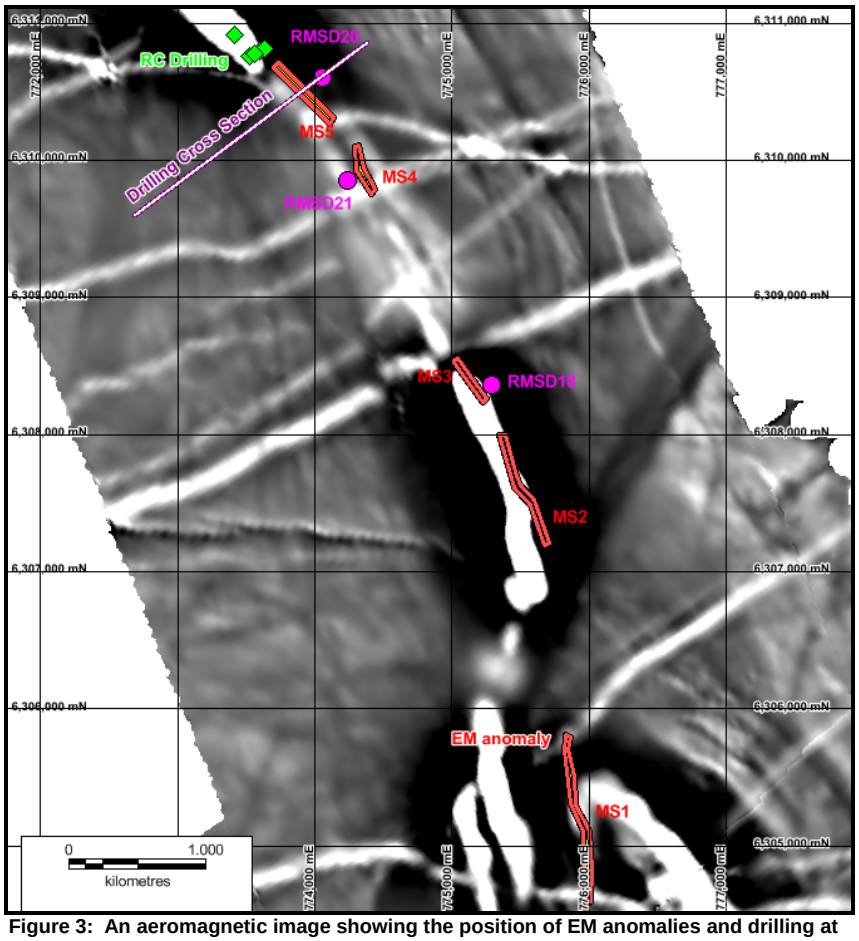

Figure 3: An aeromagnetic image showing the position of EM anomalies and drilling at the Mt Short Base Metal Anomaly

Drill hole RMSD21 tested the MS4 EM target located about 800 south of MS5. This target was modeled to be about 100 x 400 metres in dimension, dipping steeply west and starting at about 160 metres below surface. The hole intersected the target at about 200 metres below surface in the modeled position. Low levels of zinc, lead and copper occur in association with dominant pyrite and pyrrhotite and these barren sulphides largely account for the EM response. A DHEM survey of this hole has defined a large, strong conductor situated below and to the south-east of the drill hole and indicates that the mineralisation may extend and strengthen in that direction. It is not clear at this point in time what the stratigraphic relationship is between this target and the MS5 target, but the ongoing presence of anomalous base metal mineralisation does suggest some continuity.

RMSD18 tested the MS3 target which is located some 1700 metres south of the MS4 target. This target was modeled to be about 100 x 400 metres in size starting at about 160 metres below surface and dipping steeply east. The drillhole largely confirmed the EM model and a zone of base metal mineralisation was intersected (best intercept of 2 metres @ 0.56% Zn and 1.20% Pb) but a granitic intrusive body appears to have stoped out a large portion of stratigraphic sequence in this position. A DHEM survey of this hole could not be done because the hole caved in.

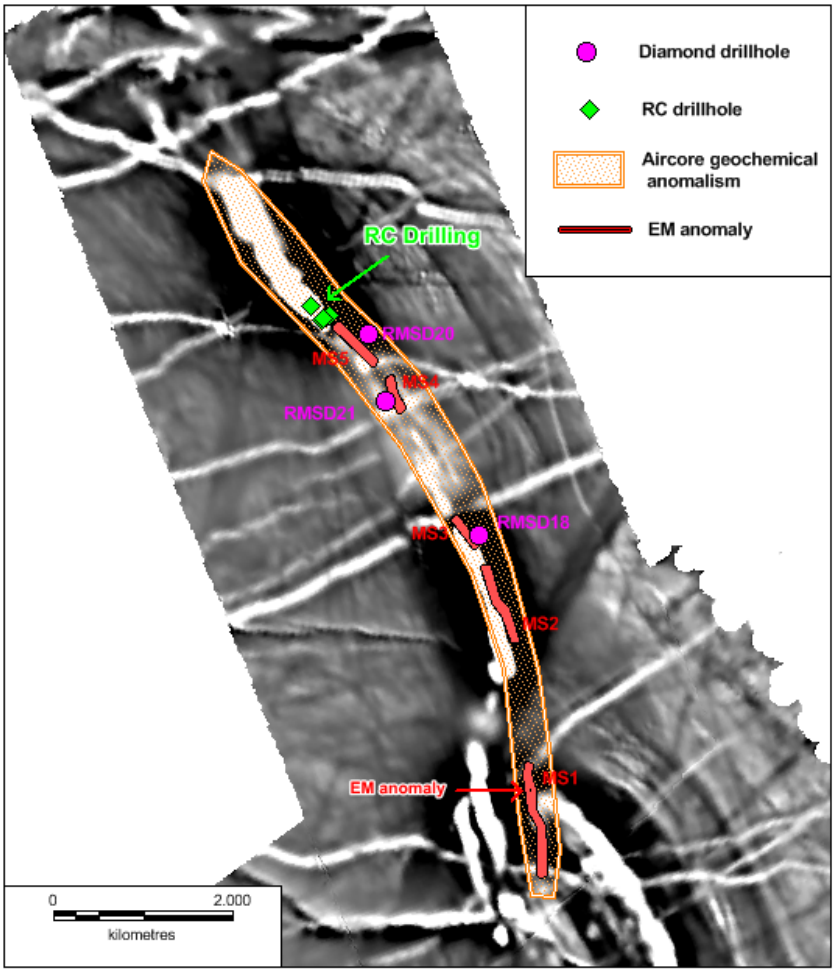

Figure 4: The MS5 location plan showing the location of drill holes, the EM target and base metal mineralisation

The results of the drill program have advanced the prospectivity of this prospect significantly. The drilling has confirmed the favorable geological setting and returned promising though sub-economic base metal grades and down-hole EM surveying has suggested ample scope for better results as drilling continues.

Ongoing compilation of the drill data with additional modeling of the down-hole EM data as well as petrological studies are underway. Additional drilling is also being planned.

The Mt Short Project is located almost entirely on freehold farm land. The Company's exploration activity has to take into consideration the farmers' cropping activity. Their cooperation to date is acknowledged with gratitude.

Drilling on the Mt Short Project has been assisted by a grant under the Western Australian Government's Exploration Incentive Scheme.

Patrick Verbeek
Managing Director

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 Limited. Mr 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 Verbeek consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.