



Traka Resources Limited

ABN: 63 103 323 173

27 August 2020

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Non-Renounceable Entitlement Offer - Prospectus

Attached is a copy of the prospectus for an entitlement offer of shares lodged with ASIC today.

By authority of the Board

P C Ruttledge
Company Secretary



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

PROSPECTUS

FOR AN ENTITLEMENT OFFER OF SHARES

DATED

27 AUGUST 2020

For a non-renounceable pro rata issue of up to 92,276,481
fully paid ordinary shares in Traka Resources Limited
at a price of 2.0 cents each
to all holders of ordinary shares in Traka Resources Limited as at 02 September 2020,
on the basis of 1 share for every 5 shares held, to raise up to \$1,845,530 before costs.

IMPORTANT NOTICE TO ALL SUBSCRIBERS TO THE OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
IT SHOULD BE READ IN ITS ENTIRETY

If you are in doubt as to the course you should follow,
or you need an informed opinion, you should consult your
stockbroker, solicitor, accountant or other professional
adviser immediately

THIS ISSUE IS NOT UNDERWRITTEN

CORPORATE DIRECTORY

Directors

Joshua Pitt
Non-executive Chairman

Patrick Verbeek
Managing Director

Neil Tomkinson
Non-executive Director

George Petersons
Non-executive Director

Registered and Business Office

Suite 2, Ground Floor
43 Ventnor Avenue
West Perth WA 6005
Telephone: (08) 9322 1655
Facsimile: (08) 9322 9144
Email: traka@trakaresources.com.au
Website: www.trakaresources.com.au

Company Secretary

Peter Rutledge

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St George's Terrace
Perth, Western Australia 6000
GPO Box 2975, Melbourne, Victoria 3001
Telephone: 1300 850 505 (from overseas +61 3 9415 4000)
Facsimile: +61 3 9473 2500

Auditor

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Home Exchange

Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Traka Resources Limited (ABN 63 103 323 173) (Traka or the Company) is a public listed company incorporated and domiciled in Australia.

TABLE OF CONTENTS

Section 1	Explanation of the prospectus	3
Section 2	Information available	4
Section 3	Summary of the offer and timetable of important dates	5
Section 4	Chairman's letter	6
Section 5	Purpose and effect of the entitlement offer	7
Section 6	Details of the entitlement offer	9
Section 7	Investment considerations - risks	14
Section 8	Additional information	16
Section 9	Directors' responsibility statement and consents	18
Section 10	Glossary of defined terms	19

SECTION 1 – EXPLANATION OF THE PROSPECTUS

This Prospectus is dated 27 August 2020. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission on that date. Neither ASIC nor Australian Securities Exchange is responsible for the contents of this Prospectus.

This Prospectus is a transaction specific prospectus issued in accordance with Section 713 of the Corporations Act 2001, which allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is therefore intended to be read in conjunction with publicly available information in relation to the Company which has been notified to ASX; it does not include all information that would be included in a prospectus for an initial offering of securities of a company that is not already listed on ASX. Accordingly, shareholders should read this Prospectus in its entirety and should also have regard to other publicly available information in relation to the Company before deciding whether to apply for securities under this Prospectus. Refer to Section 2.1 for further information in this regard.

The securities offered under this Prospectus are shares (the New Shares) in a class of shares that are listed for quotation on a stock market of ASX.

No securities will be issued on the basis of this Prospectus after the Expiry Date which is 13 months after the date of this Prospectus.

All monetary amounts referred to in this Prospectus are expressed in Australian Dollars.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia (other than New Zealand) may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restriction. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

SECTION 2 – INFORMATION AVAILABLE

2.1 Continuous Disclosure

Traka Resources Limited is a "disclosing entity" for the purposes of Section 111AC of the Corporations Act 2001. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Disclosing entities are, pursuant to the Corporations Act 2001, required to issue a prospectus satisfying the test set out in Section 713 of the Corporations Act 2001, where the securities offered by the prospectus are to be quoted and the securities are in a class of securities that were quoted securities at all times in the twelve months before the issue of the prospectus.

The Company believes that it has complied with the general and specific requirements of ASX (as applicable from time to time throughout the twelve months before the issue of this Prospectus) which require the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to a stock market conducted by ASX, and thereby keep the market fully informed.

The shares offered by this Prospectus are considered to be in a class of securities that have been enhanced disclosure securities at all times during the twelve months prior to the issue of this Prospectus.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Information that is already in the public domain has not been reported in this Prospectus other than that information which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents free of charge to any person who so requests during the application period under this Prospectus:

- (a) the Annual Report for the Company for the year ended 30 June 2019;
- (b) the Interim Financial Report for the Company for the half-year ended 31 December 2019; and
- (c) the following documents, being all the continuous disclosure notices used to notify ASX of information relating to the Company during the period after lodgement on 23 October 2019 of the Annual Report referred to in (a) and before the lodgement of this Prospectus with ASIC:

Lodgement Date	Headline/Description of Announcement
23/10/2019	Corporate Governance Statement 2019
23/10/2019	Appendix 4G – Corporate Governance Key to Disclosures
28/11/2019	Exercise price of Director Options proposed in AGM
29/11/2019	Annual General Meeting Presentation
29/11/2019	App 3Y Change of Director's Interest Notice
29/11/2019	Appendix 3B Issue of Director Options
29/11/2019	Results of Annual General Meeting
02/12/2019	Revised results of Annual General Meeting
05/12/2019	Change of Chairman
18/12/2019	Transfer of Musgrave Project
20/12/2019	Expiry of Unlisted Options
31/01/2020	Quarterly Activities, Cashflow and Tenement Report
30/04/2020	Quarterly Activities, App5B Cash Flow and Tenements
05/06/2020	Ceasing to be a substantial holder
23/07/2020	Traka secures the Mt Cattlin Gold Project
30/07/2020	Trading Halt
31/07/2020	Quarterly Activities, Cashflow and Tenement Reports

Lodgement Date	Headline/Description of Announcement
04/08/2020	Issue of shares and lifting of trading halt
06/08/2020	Appendix 2A
07/08/2020	Section 708A(5)(e) Notice (Cleansing Notice)
10/08/2020	Proposed issue of Securities – TKL
10/08/2020	Appendix 2A – Conversion of Options
13/08/2020	Change in substantial holding

2.2 Effect of this Prospectus

When this Prospectus is forwarded to members of the Company they shall have been served with a prospectus for the purpose of the application for the allotment of and the issue of New Shares.

2.3 Website – Electronic Prospectus

This Prospectus will not be issued as an electronic Prospectus but a copy of the Prospectus excluding the Entitlement and Acceptance Form may be accessed and downloaded for general information purposes only, from the Company's website on the internet at www.trakaresources.com.au

SECTION 3 – SUMMARY OF THE OFFER AND TIMETABLE OF IMPORTANT DATES

3.1 The Entitlement Offer

Up to 92,276,481 fully paid ordinary shares in Traka are being offered at a price of 2.0 cents each to all holders of ordinary shares in the Company as at 2 September 2020 on the basis of 1 share for every 5 shares held, to raise up to \$1,845,530 before costs.

The issue is not underwritten.

3.2 Timetable of Important Dates

Announcement of Entitlement Offer and Appendix 3B – Proposed issue of securities	27 August 2020
Lodgement of Prospectus with ASIC and ASX	27 August 2020
Ex date - shares trade ex-entitlements	1 September 2020
Record Date for determining entitlements to New Shares	2 September 2020
Prospectus and Entitlement and Acceptance Form despatched and Offer opens	4 September 2020
Last day to extend the offer closing date	10 September 2020
Offer closes - latest date for acceptances and payment in full	15 September 2020
Shares quoted on a deferred settlement basis	16 September 2020
Announcement of results of the issue	18 September 2020
Issue date – New Shares entered in shareholders' holdings and deferred settlement ends	22 September 2020
Lodgement of Appendix 2A – Application for quotation	22 September 2020

These dates are indicative only and may vary. The Company reserves the right to vary the date that the Entitlement Offer opens and closes without prior notice. This may impact on subsequent dates. Applicants are encouraged to apply as soon as possible after the Entitlement Offer opens as it may close earlier than the date specified. The Company reserves the right not to continue with the Entitlement Offer at any time before the allotment of New Shares to successful applicants.

SECTION 4 – CHAIRMAN’S LETTER

Dear Shareholder,

The purpose of the Entitlement Offer detailed in this Prospectus is to raise additional funding to complement the recently completed placement which raised \$1.24 million after expenses. Together these raisings will allow Traka to advance its two principal exploration projects whilst meeting its ongoing working capital requirements.

Exploration over the next 12 months will focus on our Mt Cattlin Gold Project, in relation to which Traka recently successfully concluded negotiations with its joint venture partner whereby 100% of the gold rights to this project were secured.

The Mt Cattlin Gold Project

This project was an early Traka asset where a modest drilling program carried out in 2004 revealed significant gold bearing intersections before gold exploration was suspended due in part to the low gold price at the time and the opportunity to join in a joint venture evaluating the project for lithium. The project hosts several high-grade historical gold workings and the quartz reefs within which they occur present valid targets for outlining further resources.

However, Traka is also keen to test the possibility that larger targets can be defined where gold is associated with sulphide mineralization. The Ravensthorpe region is well known for the presence of substantial gold resources associated with massive copper and iron sulphides and Traka intends to apply modern geophysical techniques to explore for this style of deposit within the project area.

Preparatory work for the commencement of a drilling program is currently underway. Very high resolution aeromagnetic and Induced Polarisation (IP) geophysical surveys are scheduled to commence in the next few weeks with results available to us in October. Drilling should therefore be possible to start in November. A drill program in the order of 5,000 metres of both Reverse Circulation (RC) and Diamond drilling is contemplated.

The Gorge Creek Project

Traka commenced intensive exploration on this project during 2019. This included the completion of 19 reverse circulation drill holes. While the program did not outline significant base metal mineralization, the drilling did confirm that the project has the favourable characteristics for sedimentary hosted lead-zinc orebodies such as occur at the Century Mine to the south as well as copper-cobalt dominant orebodies such as occur to the immediate east of the project in tenements owned by another ASX listed company. Traka’s purchase of the minority interest in Gorge Creek during the year has increased the Company’s options for advancing this project in the future.

Directors’ participation in the Offer

My fellow Directors and I, individually and through associated entities, have committed to Traka to take up our entitlements in this offer in full, effectively underwriting the raising to the extent of 17.5%. It follows that I have no reservations in recommending that you support the issue and Traka’s participation in its exciting new gold project.

Joshua N Pitt
Chairman
27 August 2020

SECTION 5 – PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

5.1 Purpose of the Entitlement Offer

The Entitlement Offer will raise funds to augment the Company's cash position and allow expenditure as follows:

- (a) additional funding of the upcoming aeromagnetic and IP surveys and follow up drilling on the Mt Cattlin Gold Project;
- (b) to assist with further evaluation of the Gorge Creek project;
- (c) to fund evaluation of other new gold projects;
- (d) to meet ongoing administration and operating costs of the Company, including the costs of this issue.

The estimated allocation of funds to be raised is as follows:	<u>\$000</u>
Expenditure on the Company's Mt Cattlin Gold Project	900
Further exploration and evaluation expenditure on the Company's Gorge Creek Project	100
Funding the search for new projects	320
Ongoing administration and operating costs including costs of this issue	<u>525</u>
Gross proceeds of the Entitlement Offer	<u>1,845</u>

5.2 Effect of this Entitlement Offer on the Company's Capital Structure

The capital structure before and after the Entitlement Offer is presented below based on the assumptions that:

- (a) the holders of up to 750,000 unlisted staff and director options in the Company will convert their holdings to fully paid shares before the Record Date and the holders of the remaining 4,650,000 unlisted staff and director options will not convert their holdings;
- (b) all Entitlements are taken up.

ORDINARY SHARES FULLY PAID	No of shares
On issue (including recent Placement shares)	460,632,403
Shares from conversion of unlisted options	750,000
New Shares arising from Entitlements	92,276,481
After this Issue	<u>553,658,884</u>

5.3 Effect of this Entitlement Offer on the Company's Statement of Financial Position

The Company's unaudited Statement of Financial Position as at 30 June 2020 (Unaudited Statement) has been used as the basis for preparing an unaudited Proforma Post-Issue Statement of Financial Position (Proforma Statement) that reflects the effect of the issue of the New Shares arising from this Entitlement Offer as well as the effect of the share Placement that took place on 6 August 2020 (announced to ASX on 4 August 2020).

The Unaudited Statement and the Proforma Statement are set out alongside each other below. The assumptions and adjustments that have been made to arrive at the Proforma Statement are summarised below:

- (a) it is assumed that 4,650,000 unlisted staff and director options in the Company will not be converted to fully paid shares before the Record Date;
- (b) it is assumed that all Entitlements are taken up, raising \$1,820,067 after expenses of the Issue;
- (c) the Company's net cash inflow of \$1,242,236 from the Placement of shares on 6 August 2020 has been incorporated into the Proforma Statement to update the Company's cash position for the effect of the placement after the date of the unaudited Statement of Financial Position.

STATEMENT OF FINANCIAL POSITION

	Unaudited 30 June 2020	Unaudited Proforma Post-Issue
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	120,010	3,182,313
Trade and other receivables	19,979	19,979
TOTAL CURRENT ASSETS	139,989	3,202,292
NON-CURRENT ASSETS		
Plant and equipment	4,928	4,928
TOTAL NON-CURRENT ASSETS	4,928	4,928
TOTAL ASSETS	144,917	3,207,220
CURRENT LIABILITIES		
Trade and other payables and provisions	51,645	51,645
TOTAL CURRENT LIABILITIES	51,645	51,645
NON-CURRENT LIABILITIES		
Provisions	2,652	2,652
TOTAL NON-CURRENT LIABILITIES	2,652	2,652
TOTAL LIABILITIES	54,297	54,297
NET ASSETS	90,620	3,152,923
EQUITY		
Issued capital	18,147,794	21,210,097
Reserves	856,568	856,568
Accumulated losses	(18,913,742)	(18,913,742)
TOTAL EQUITY	90,620	3,152,923

5.4 Consequences of a shortfall

If the total of all funds raised from acceptances of Entitlements and applications for Additional Shares is less than the \$1,820,067 (after expenses of the issue) being sought under this Offer, the Company has the ability to amend its expenditure budgets accordingly while the Directors consider other options, which may include the placement of any shortfall of the Entitlement Offer or alternative equity raising opportunities.

SECTION 6 – DETAILS OF THE ENTITLEMENT OFFER

6.1 The Offer

This Prospectus invites all existing holders of ordinary shares in the Company to participate in a pro-rata non-renounceable Entitlement Offer of New Shares in Traka on the basis of 1 New Share for every 5 Shares held on the Record Date at an issue price of 2.0 cents per New Share. Fractional entitlements will be disregarded through rounding down.

The holders of 5,400,000 unlisted options to acquire ordinary shares in the Company will not be entitled to participate in the Entitlement Offer in respect of their options. In order to participate in the Entitlement Offer, they must first exercise their options converting them to Shares prior to the Record Date. Of the 2,750,000 unlisted options which have an exercise price that is lower than the current market price of Traka shares it is considered possible that the holders of 750,000 of these options may choose to convert their options to Shares before the Record Date

Consequently, for the purpose of this Entitlement Offer it is assumed that 750,000 unlisted options will be exercised before the Record Date (resulting in the Company receiving \$13,125 in conversion monies) and the balance of 4,650,000 unlisted options will not be exercised. Based on these assumptions, the Entitlement Offer is for up to 92,276,481 New Shares to raise, on a fully subscribed basis, up to \$1,845,530 before costs (estimated to be approximately \$25,400).

There is no minimum subscription.

In the unlikely event that the 4,650,000 balance of the outstanding options are exercised, converting to Shares before the Record Date and the resulting Entitlements to New Shares are taken up, this would result in an additional 930,000 New Shares being issued and an additional \$180,700 being raised from conversion of the options and the take up of the associated Entitlements.

6.2 No Rights Trading

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly there will be no rights trading on ASX.

6.3 Opening and Closing Dates

The Entitlement Offer will open for receipt of acceptances at 10.00 am WST on **Friday 4 September 2020** and will close at 5.00 pm WST on **Tuesday 15 September 2020** or such later date not exceeding 13 months from the date of this Prospectus as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

6.4 Not underwritten

The Offer is not underwritten.

6.5 Effect on Control and Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by up to 16.7% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	20,000,000	4.34%	4,000,000	20,000,000	3.62%
Shareholder 2	7,000,000	1.52%	1,400,000	7,000,000	1.27%
Shareholder 3	5,000,000	1.09%	1,000,000	5,000,000	0.90%
Shareholder 4	1,000,000	0.22%	200,000	1,000,000	0.18%
Shareholder 5	500,000	0.11%	100,000	500,000	0.09%
Shareholder 6	100,000	0.02%	20,000	100,000	0.02%

Note: The dilutionary effect shown in the table represents the maximum diluted percentage on the assumption that those Entitlements not accepted are successfully placed under the Shortfall Facility.

6.6 Share Market Trading

The latest available market sale price of the Company's shares on ASX on the trading day immediately before the announcement of the terms of the Entitlement Offer was 2.1 cents on 25 August 2020.

The highest and lowest recorded sale prices of the Company's shares during the three months immediately preceding the announcement of this issue and the respective dates of those sales were:

Highest price:	3.5 cents	Date:	23 July 2020
Lowest price:	0.6 cents	Date:	1 July 2020

6.7 Entitlements and Acceptances

Your entitlement to New Shares is set out in the accompanying Entitlement and Acceptance Form.

The Entitlement Offer is non-renounceable and accordingly you may not dispose of any part of your entitlement.

You may:

- Accept your entitlement in full – refer below; or
- Accept part of your entitlement and allow the balance to lapse – refer below; or
- Not accept any of your entitlement and allow it to lapse – refer below.

Acceptance of Entitlement in Full

If you wish to accept your entitlement in full, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form and submit your acceptance either electronically by BPAY® **no later than 3.00 pm WST on the Closing Date**, or, together with a cheque, by mail so that it is received at the Company's Share Registry **no later than 5.00 pm WST on the Closing Date**. If you are using BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

Partial Acceptance of Entitlement

If you wish to accept part of your entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form for that part of your entitlement that you wish to accept and submit your acceptance either electronically by BPAY® **no later than 3.00 pm WST on the Closing Date**, or, together with a cheque, by mail so that it is received by the Company's Share Registry **no later than 5.00 pm WST on the Closing Date**. If you are using BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

Non-Acceptance of Entitlement

If you do not wish to take up any part of your entitlement, you are not required to take any action.

Payment for Acceptances by cheque or BPAY®

Entitlements may be taken up by submitting the completed Entitlement and Acceptance Form together with your cheque or money order, made payable to "Traka Resources Limited" and crossed "Not Negotiable", to:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Vic 3001 Australia

to be received **no later than 5pm WST on the Closing Date**.

Alternatively, entitlements may be taken up electronically using BPAY®, in which case you are not required to return the Entitlement and Acceptance Form. You can simply make payment for the total number of shares accepted by using the Biller Code and the personalised Reference Number set out on your Entitlement and Acceptance Form. You must ensure that acceptance and payment by BPAY® is received **no later than 3pm WST on the Closing Date**.

Instructions for payment using BPAY® are set out in your Entitlement and Acceptance Form. You should be aware that your own financial institution may impose earlier cut-off times with regard to electronic payments and you should therefore take this into consideration when making payment. It is the responsibility of the Eligible Shareholder to ensure that funds submitted through BPAY® are received by the Closing Date.

6.8 Additional Shares – Shortfall Facility

Entitlements not taken up will constitute the Shortfall and these shares may be issued and allotted at the discretion of the Directors.

No Director will apply for shares under the Shortfall Facility.

If you accept your Entitlement in full you may apply for Additional Shares to be issued to you from the Shortfall.

This can be done by completing the Additional Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the Form, and including the consideration for these Additional Shares with the payment for your entitlement shares. As set out in Section 6.7, payment can be made by cheque / money order accompanying the Entitlement and Acceptance Form, or by BPAY®.

The Directors will retain discretion in assessing the number and basis of allocation of Additional Shares applied for from the Shortfall.

If the number of Additional Shares applied for exceeds the number of shares in the Shortfall, the Directors, at their discretion, will determine the basis of the scale-back of applications to determine the number of Additional Shares to be allotted to applicants.

If the number of Additional Shares applied for and allotted is less than the number of shares in the Shortfall, all or part of the balance remaining after allotment of the Additional Shares may be allotted, at the Directors' discretion, within 3 months of the Closing Date of this Offer, at a price no less than the price of this Offer.

Enquiries

If you have any queries regarding your Entitlement, Acceptance of your Entitlement or Application for Additional Shares, please contact the Company by telephone on **(08) 9322 1655** (from New Zealand **+61 8 9322 1655**) or your stockbroker or professional adviser.

6.9 Issue and Allotment of New Shares

The New Shares are expected to be issued and allotted by no later than 22 September 2020 and holding statements will be despatched one business day after the issue. Until the issue and allotment of the New Shares under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only, as required by the Corporations Act. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place or not.

6.10 ASX Listing

The Company will make application to ASX for the official quotation of the New Shares issued pursuant to this Prospectus in accordance with the timetable set out at the commencement of the Prospectus. If approval is not granted by ASX for the official quotation of the New Shares within three (3) months after the date of this Prospectus, the Company will not allot or issue any New Shares and will repay all application monies (where applicable) within the time prescribed under the Corporations Act 2001, without interest.

The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

6.11 CHESS System

The Company participates in the Clearing House Electronic Subregister System (CHESS). ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532 (ASTC), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the offer made under this Prospectus.

Shareholders who are broker-sponsored will receive a CHESS statement from ASTC.

Shareholders registered under the Issuer Sponsored subregister will receive an Issuer Sponsored statement from the Company's Share Registry.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

6.12 Overseas Investors

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Given the small number of shareholders registered with overseas addresses other than New Zealand, the number and value of New Shares these shareholders would be offered and the cost of regulatory compliance in those overseas jurisdictions, it is not practicable to extend this offer to shareholders other than those with Australian and New Zealand registered addresses. Consequently no offer of entitlements will be made to shareholders with registered addresses outside Australia and New Zealand.

New Shares to which Eligible Shareholders who are not residents of Australia and New Zealand would otherwise be entitled will form part of the Shortfall.

New Zealand shareholders

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand, to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

The Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Shareholders resident in New Zealand should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to accept their entitlements under this Offer.

Nominees and Custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

6.13 No issue of New Shares after the Expiry Date

No New Shares will be issued on the basis of this Prospectus later than the Expiry Date.

6.14 Ranking of New Shares

The New Shares will rank equally in all respects with the Company's existing issued fully paid ordinary shares. The Company currently has 460,632,403 fully paid ordinary shares on issue.

6.15 Dividend Policy

As the Company is an exploration company the Directors have not to date considered it necessary to formulate a dividend policy. A dividend policy will become appropriate in the event of the development of a cash flow which leads to trading profits.

6.16 Taxation Implications

The Directors do not consider that it is appropriate to give shareholders advice regarding the taxation implications of applying for New Shares under the Entitlement Offer. Neither the Company nor its advisers or Directors accept any responsibility or liability for any taxation consequences to shareholders. Shareholders should therefore consult their professional tax adviser in relation to any taxation implications of the Entitlement Offer which may be relevant to them.

SECTION 7 – INVESTMENT CONSIDERATIONS - RISKS

The shares offered pursuant to this Prospectus are speculative.

The value of the Company's shares can and does fluctuate depending on various factors including the general economic conditions in Australia, world-wide prices of metals and minerals, increases in operating costs in the Company's areas of operation and non-Australian factors such as the COVID-19 pandemic which may influence the Australian share market.

The ownership of the Company's shares involves certain risks and shareholders in doubt should consult their stockbroker or financial adviser for advice. Factors which in the opinion of the Directors should be taken into account include:

Equity Markets

The price of shares quoted for trading by ASX is impacted by various international and domestic factors. As the Company is listed on ASX, its share price is subject to these numerous influences that may reflect both the trends in the share market and the share prices of individual companies.

Government

In Australia, where the Company operates, Government policies are subject to review and change from time to time and the Company relies upon Government agencies promptly and favourably dealing with applications and consents. Such matters are likely to be beyond the control of the Company. Changes in community attitudes on matters such as taxation, environment and landholder issues may bring about reviews and possible changes in government policies and regulations. Any such government action or inaction may limit or prohibit operations or require increased capital or operating expenditure and could adversely impact the Company's business.

Taxation

The Company is subject to various forms of taxation in Australia. There is an ongoing risk that changes to taxation legislation or the interpretation or enforcement of taxation laws or regulations may adversely impact revenues in the future, and therefore the financial performance of the Company.

Economic Conditions and Project Delays

Domestic and global economic conditions may affect Company performance. Factors such as inflation, interest rates, prices and availability of critical supplies, such as gas, oil, power and water may delay operations and impact operating costs and may adversely affect the prospects of the Company. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and its Directors.

Contractual and Other Legal Risks

All permits and contracts entered into by the Company are subject to interpretation. There is no guarantee that the Company will be able to enforce all its presumed rights under its permits and contracts. The introduction of new legislation or amendments to existing legislation or changes in regulation or administrative practices by governments, developments in existing common law or civil law, or the interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets and operations and therefore on the financial performance and share price of the Company.

Litigation Risk

Exposure to litigation brought by third parties such as joint venture participants, contractors, regulators, or employees could negatively impact on the Company and its operations and licences. Legal claims, if successful could adversely impact the profits or financial position of the Company.

Exploration and Appraisal Risk

Potential investors should understand that mineral projects are high-risk undertakings. There can be no assurance that exploration of the Company's tenements will result in the discovery of economic mineral reserves. The estimated costs of the Company are based on certain assumptions. By their nature, these estimates and assumptions are subject to significant uncertainties and, as a result, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, factors which may materially and adversely affect the Company.

Coronavirus Risks

The outbreak of Coronavirus (COVID-19) is having a material effect on global economic markets. The pandemic may have a significant effect on the future of capital markets and share prices.

The Company's share price may be affected by economic uncertainty caused by COVID-19. Measures taken by governments such as travel bans and quarantining may adversely affect the Company's operations. Restrictions on accessing remote Indigenous communities may impact on the timeline for negotiations on Native Title Agreements and the carrying out of Heritage clearances required by the Company.

Title Risks

Interests in tenements are governed by the granting of licences or leases by the appropriate government authorities. The conduct of operations and the steps involved in acquiring all licences and permits involve compliance with numerous procedures and formalities. It is not always possible to correctly interpret, comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly complied with. In some cases, difficulty in following such requirements or obtaining relevant evidence may call into question the validity of the titles.

Speculative Nature of Investment

This list of risk factors is not an exhaustive list of the risks faced by the Company or by investors in the Company. Potential investors should also have regard to the Company's prior publications and announcements. The above factors, and others not referred to specifically above, may in the future materially affect the financial performance of the Company and the value of the shares offered under this document. Potential investors should treat the investment in the Company as speculative and should consult their stockbroker or professional advisers before deciding whether to apply for shares.

SECTION 8 – ADDITIONAL INFORMATION

8.1 Interests of Directors

Except as disclosed in this Prospectus, no Director (whether individually or as a consequence of a Director's association with any company or firm or participation in any material contract entered into by the Company) has now, or has had in the two-year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or its promotion of the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director or otherwise, for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or offer of the securities.

Directors' Shareholdings

Directors' interests in the share capital of the Company as at the date of this Prospectus are shown below:

Director	Ordinary Shares Fully Paid	Options
J N Pitt	32,297,219	-
N Tomkinson	28,702,236	-
P Verbeek	17,708,783	4,000,000
G J Petersons	1,937,776	-

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 60,999,455 ordinary shares (13.24%).

The expiry date and exercise prices of Mr Verbeek's options are as follows:

Number of Options	Expiry date	Exercise Price (cents per share)
2,000,000	16 November 2021	4.67
2,000,000	28 November 2022	1.03

Directors' Remuneration

Details relating to the remuneration of Directors are set out in the Remuneration Report section of the Directors' Report and Note 17 of the Notes to the Financial Statements contained in the Company's 2019 Annual Report lodged with ASX on 23 October 2019.

In December 2019, following a review of the Company's financial position, the remuneration of the Directors was amended as follows:

The salary and fees component of the Managing Director's remuneration was reduced by \$30,000 per annum and the fees of the Non-Executive Directors and Chairman were reduced by \$10,000 per annum.

There have been no further changes to the level of Directors' remuneration since that date.

8.2 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or offer of the securities.

8.3 Consent

HLB Mann Judd consents to:

- a) being named in this Prospectus, and
- b) the distribution of electronic and paper copies of the Prospectus.

HLB Mann Judd has not authorised or caused the issue of the Prospectus and the maximum extent permitted by law, expressly disclaims and takes no responsibility for any other part of the Prospectus.

HLB Mann Judd has not withdrawn the consent prior to lodgement of the Prospectus with ASIC.

8.4 Substantial Shareholders

As at the date of this Prospectus the following substantial shareholdings have been recorded:

Name	Shares Held	% of Issued Capital
Perth Capital Pty Ltd, Elohpool Pty Ltd and associates	60,999,455	13.24%
Tattersfield Group	53,244,049	11.56%

8.5 Rights Attaching to Shares

Details of the rights attaching to the Company's shares are set out in Note 12 of the Notes to the Financial Statements in the Company's 2019 Annual Report lodged with ASX on 23 October 2019 and in the Constitution of the Company, a copy of which can be inspected at the Company's registered office at Suite 2, Ground Floor, 43 Ventnor Avenue, West Perth during normal business hours.

8.6 Corporate Governance

The Company has adopted comprehensive corporate governance policies. These policies are set out on the Company's website at:

<http://www.trakaresources.com.au/corporate-governance>

SECTION 9 – DIRECTORS' RESPONSIBILITY STATEMENT AND CONSENTS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that no statements made by the Directors in this Prospectus are misleading or deceptive and that, in respect of any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or, to the Directors knowledge, are not likely to withdraw such consent before any issue of New Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed in accordance with a resolution of the Directors.

J Pitt
Chairman

Dated 27 August 2020

SECTION 10 - GLOSSARY OF DEFINED TERMS

- "Additional Shares"** means New Shares applied for under the Shortfall Facility;
- "ASIC"** means the Australian Securities and Investments Commission;
- "ASTC"** means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532;
- "ASX"** means ASX Limited as operator of the Australian Securities Exchange;
- "Board"** means the Board of Directors of the Company;
- "Business Day"** means Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;
- "CHESS"** means ASX's Clearing House Electronic Subregister System;
- "Closing Date"** means 5.00pm WST on 15 September 2020 or such other date as may apply under terms hereof;
- "Company"** or **"Traka"** means Traka Resources Limited ABN 63 103 323 173;
- "Corporations Act"** means the Corporations Act 2001 (Cth) as amended from time to time;
- "Directors"** means the directors of the Company;
- "Entitlement"** means the entitlement of an Existing Shareholder to apply for New Shares under the Entitlement Offer;
- "Entitlement Offer"** or **"Offer"** means the non-renounceable pro-rata issue pursuant to this Prospectus, of up to 92,276,481 New Shares on the basis of one New Share for every three Shares held on the Record Date, at an issue price of 2.0 cents per New Share, to raise up to \$1,845,530 before expenses of the Issue;
- "Entitlement and Acceptance Form"** or **"Form"** means the personalised Entitlement and Acceptance Form accompanying this Prospectus;
- "Ex Date"** means 1 September 2020 being the date from which Shares trade without the Entitlement;
- "Existing Shareholder"** means a shareholder of the Company whose details appear on the Company's register of shareholders at the Record Date;
- "Eligible Shareholder"** means an Existing Shareholder who is entitled to participate in the Entitlement Offer under the Listing Rules or other ASX requirements;
- "Expiry Date"** is the date 13 months after the date of this Prospectus;
- "Issue"** means the issue of New Shares pursuant to this Prospectus;
- "Listing Rules"** means the Listing Rules of ASX;
- "Lodgement Date"** means the date of lodgement of the Prospectus with ASIC – that is 27 August 2020;
- "New Shares"** means the Shares to be issued pursuant to this Prospectus;
- "Offer"** means the offer of New Shares pursuant to this Prospectus;
- "Official Quotation"** means official quotation by ASX in accordance with the Listing Rules;
- "Opening Date"** means 10.00am WST on 4 September 2020 or such other date as may apply under the terms hereof;
- "Prospectus"** means this prospectus dated 27 August 2020;
- "Record Date"** means 5.00pm WST on 2 September 2020;

“Share Registry” means Computershare Investor Services Pty Limited;

“Share” means a fully paid ordinary share in the capital of the Company;

“Shareholder” means a holder of ordinary shares in Traka;

“Shortfall” means the New Shares forming Entitlements, or parts of Entitlements, not accepted by Existing Shareholders;

“Shortfall Facility” means the facility to apply for Additional Shares to be allotted from the Shortfall;

“WST” means Australian Western Standard Time;

“\$” means Australian dollars unless otherwise stated.