



# Traka Resources Limited

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ABN: 63 103 323 173

23 October 2019

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

## **Notice of Annual General Meeting**

The notice of meeting for the Annual General Meeting of Traka Resources Limited, to be held on Friday 29 November 2019, is attached.

Peter Rutledge  
Company Secretary

# **TRAKA RESOURCES LIMITED**

**ABN 63 103 323 173**

## **Notice of Annual General Meeting 2019**

# TRAKA RESOURCES LIMITED

ABN 63 103 323 173

## Notice of Annual General Meeting

Notice is hereby given that the 2019 Annual General Meeting of the shareholders (Shareholders) of Traka Resources Limited (the Company) will be held at **Ground Floor, 43 Ventnor Avenue, West Perth, on Friday 29 November 2019** commencing at **11:00 am**.

### AGENDA

The following items of business will be considered:

**Item 1 Financial Report, Directors' Report and Auditor's Report**

To receive and consider the Financial Report of the Company and the Directors' Report and Auditor's Report for the financial year ended 30 June 2019.

**Item 2 Resolution 1: Remuneration Report**

To consider and, if thought fit, to pass as a non-binding ordinary resolution:

**That the Remuneration Report for the year ended 30 June 2019, as set out in the 2019 Annual Report, be adopted.**

**Item 3 Resolution 2: Re-election of Mr Joshua Pitt as a director**

To consider, and if thought fit, to pass as an ordinary resolution:

**That Mr Joshua Pitt, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director.**

**Item 4 Resolution 3: Issue of options to the Managing Director**

To consider, and if thought fit, to pass as an ordinary resolution:

**That, for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and Listing Rule 10.11 of the Listing Rules of the ASX and for all other purposes, Shareholders approve and authorise the issue at no cost of 2,000,000 options to the Managing Director, Mr Patrick Verbeek (or his permitted nominee), to acquire fully paid ordinary shares in the capital of Traka Resources Limited on the terms and conditions set out in the Explanatory Statement accompanying this Notice.**

*Voting Exclusion Statement*

*The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Verbeek and his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form, or cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

**Item 5 Resolution 4: Approval of placement facility**

To consider and, if thought fit, to pass as an ordinary resolution:

**That, for the purposes of Listing Rule 7.1 of the Listing Rules of the ASX and for all other purposes, approval be given for the Directors, if they think fit, to issue up to 60,000,000 ordinary fully paid shares in the Company (Placement Shares) at an issue price that is at least 80% of the volume weighted average market price for fully paid ordinary shares in the Company over the last five days on which sales of the Company's shares are recorded before the issue of the Placement Shares, and otherwise on such terms and conditions referred to in the Explanatory Statement accompanying this Notice.**

*Voting Exclusion Statement*

*The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company) and any associates of such persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form, or cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

An Explanatory Statement setting out further information in respect of the agenda items accompanies this Notice of Meeting (Notice).

## **ENTITLEMENT TO VOTE**

For the purposes of voting at the Meeting, a Shareholder's voting entitlement will be taken to be the entitlement of the person to ordinary shares as shown on the register of members as at 11:00 am Perth time on 27 November 2019.

In accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast on certain resolutions by certain persons who are prohibited from voting on those resolutions. Details of any voting exclusion applicable to a specific resolution are set out in this Notice.

## **PROXIES**

A Proxy Form is enclosed herewith and forms part of this Notice. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two other persons, whether Shareholders or not, to attend the meeting and, on a poll, to vote instead of him/her. Where a Shareholder appoints two proxies, the proportion of the Shareholder's voting rights given in favour of each proxy must be specified. Proxies must be received by the Company, in accordance with the instructions accompanying the Proxy Form, no later than 48 hours before the Meeting.

By order of the Board

**P C RUTTLEDGE**  
Company Secretary

3 October 2019

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**Registered Office:**

Ground Floor, 43 Ventnor Avenue  
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# Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held on Friday 29 November 2019 (the Meeting). It should be read in conjunction with the Notice.

*For those Shareholders who have elected not to receive a hard copy of the Annual Report, it can be accessed on the Company's website at [www.trakaresources.com.au](http://www.trakaresources.com.au)*

The following matters should be noted in respect of the agenda items in the Notice:

## **Item 1 Financial Report, Directors' Report and Auditor's Report**

The Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2019 as set out in the 2019 Annual Report, are presented for consideration at the Meeting.

Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, these reports and on the management of the Company. Shareholders will also be given reasonable opportunity to ask questions of the Company's external auditor with respect to the conduct of the audit, the preparation and content of the auditor's report, the independence of the auditor in relation to the conduct of the audit and the accounting policies adopted by the Company in preparation of the financial statements.

## **Item 2 Resolution 1: Remuneration Report**

The Directors' Report for the year ended 30 June 2019 contains the Remuneration Report, which sets out the Company's policy for the remuneration of the directors and certain of its executives.

The Corporations Act 2001 (Cth) (Corporations Act) requires that a resolution be put to Shareholders that the Remuneration Report be adopted, but expressly provides that the vote is advisory only and does not bind the directors or the Company.

The Corporations Act further provides shareholders with the opportunity to remove the directors from office if 25% or more of the votes are cast against adoption of the Remuneration Report at two consecutive annual general meetings (Two Strikes Rule).

Under the Two Strikes Rule, where 25% or more of the votes are cast against adoption of the Remuneration Report at two consecutive annual general meetings, the Company is required to put an ordinary resolution (Spill Resolution) to the second such meeting as to whether another general meeting should be held within 90 days at which all directors, other than the Managing Director, who were in office at the date of the vote on adoption of the applicable Remuneration Report must stand for re-election.

Since the Remuneration Report put to the previous annual general meeting of the Company was adopted by a majority of more than 75% of votes, there is no requirement to put a Spill Resolution to this annual general meeting.

Shareholders will be given reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

## **Item 3 Resolution 2: Re-election of Mr Joshua Pitt as a director**

Mr Joshua Pitt will retire by rotation at the Annual General Meeting in accordance with Clause 11.3 of the Company's Constitution and, being eligible, offers himself for re-election.

Mr Pitt has been a director and chairman of the Company since 8 January 2003.

Details of the qualifications and experience of Mr Pitt are set out in the 2019 Annual Report for the Company.

The directors (other than Mr Pitt) recommend the re-election of Mr Pitt.

## **Item 4 Resolution 3: Issue of options to the Managing Director**

This resolution seeks approval to issue 2,000,000 options to Mr Patrick Verbeek, the Company's Managing Director, as an incentive. The options are exercisable within 3 years of their issue at an exercise price that will be set at a 25% premium to the volume weighted average market price (as defined in the ASX Listing Rules and hereinafter referred to as VWAP) of the Company's shares, calculated over the last five days on which the Company's shares have traded on the ASX up to and

including the day prior to the date of the Meeting. The Company will announce the VWAP, so calculated, prior to the commencement of the Meeting. These options are not linked to the Company's performance.

#### **4.1 Background**

The broad remuneration policy of the Company, as set out in the Remuneration Report which forms part of the Directors' Report in the Company's 2019 Annual Report, is to ensure that the remuneration package of key management personnel reflects their duties and responsibilities and is competitive in attracting, retaining and motivating people of the highest quality.

The non-executive directors, being all the directors other than Mr Verbeek, have reviewed Mr Verbeek's remuneration package and recommend the issue of these options to Mr Verbeek based on the following considerations:

- (a) the services provided by Mr Verbeek to the Company over the fifteen years since its listing;
- (b) the importance of providing an option based incentive to Mr Verbeek for a continuing high level of service in future;
- (c) Mr Verbeek's overall level of remuneration for the previous financial year, as set out in the Remuneration Report in the Company's 2019 Annual Report and summarised in 4.2 below;
- (d) the general level of remuneration of other executives with similar roles to Mr Verbeek in the mineral exploration industry.

#### **4.2 Chapter 2E of the Corporations Act – Related Party Transaction**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Verbeek, being a director of the Company, is a related party of the Company and the issue of the options does not fall within one of the nominated exceptions to the provision.

In accordance with Section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed issue of options to Mr Verbeek.

##### **Terms and Conditions of the options**

The proposed terms and conditions of the options are as follows:

- (a) Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of Traka Resources Limited;
- (b) Issue Price: Each option is issued for nil consideration;
- (c) Exercise Price: The Exercise Price is the VWAP multiplied by 1.25, calculated in cents to 2 decimal places;
- (d) Expiry Date: The options will expire on 28 November 2022 unless expiry occurs earlier under these terms and conditions;
- (e) Issue Date: The date this resolution is passed by Shareholders and in any event no later than 1 month after the date of the Meeting;
- (f) Not transferable and not listed: The options are not transferable and not listed;
- (g) Exercise: Subject to (h) below, the options may be exercised by notice in writing to the Company (the Exercise Notice), delivery of the option certificate and payment of the Exercise Price to the Company at any time prior to 5.00 pm Western Standard Time (WST) on the Expiry Date (the Exercise Period). The options may be exercised in one or more lots on

different occasions during the Exercise Period, provided that such lots are equal to or a multiple of 50,000 options. Within 10 business days of receipt of the Exercise Notice and option certificate and payment of the Exercise Price, the Company will allot the corresponding number of fully paid ordinary shares to the option holder, procure the issue of a statement of holding for the shares and apply for the shares to be listed on the Australian Securities Exchange (ASX). The shares issued as a result of exercise of the options shall rank equally in all respects with the other issued fully paid shares in the Company. In the event of an exercise of less than all of the options a balance option certificate will also be issued;

(h) Cessation of engagement:

In the event that either Mr Verbeek or his associated company, Malahang Pty Ltd (Malahang), ceases to be engaged by the Company, or Mr Verbeek is deceased (the Cessation Date), the number of Mr Verbeek's options which can validly be exercised as at the Cessation Date may be exercised by or on behalf of Mr Verbeek or his nominated option holder or personal representative within the lesser of 3 months from the Cessation Date and the term remaining to the Expiry Date of the options, following which the options shall forthwith lapse and have no further effect, unless otherwise determined by the directors of the Company;

In the event that Mr Verbeek's or Malahang's services to the Company are terminated by the Company following, or as a result of, the takeover of the Company, or following a change of control of the Company (being a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of Section 500A of the Corporations Act 2001 (Cth) gains such control over the Company), all the options shall remain in full force and effect for the full term up until the Expiry Date;

(i) New share issues: There are no participation rights or entitlements inherent in the options and their holder will not be entitled to participate in new issues of capital offered to shareholders without exercising the options. The Company, however, will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be in accordance with the ASX Listing Rules. This will give the option holder the opportunity to exercise his options (should he otherwise be entitled to) prior to the date for determining entitlements to participate in any such issue;

(j) Reorganisations: In the event of any reorganisation of the issued capital of the Company, the number of options or the exercise price of the options or both shall be reconstructed in a manner which complies with the ASX Listing Rules in force at that time and in all other respects the terms for the exercise of the options shall remain unchanged; and

(k) Options not exercised by 5.00 pm WST on the Expiry Date will automatically expire.

**Value attributed to the proposed issue of options**

For illustrative purposes, the Company has used the Black Scholes option valuation model to calculate the value that would be attributable to the proposed options, had they been issued on 3 October 2019 - that is at the time of preparation of this Notice.

The value so calculated is 0.58 cents per option or \$11,600 for the 2,000,000 options.

The assumptions used in the valuation are set out below:

VWAP of Traka shares	1.01 cents
Exercise price - 25% premium to VWAP	1.26 cents
Risk free rate - 3-year Commonwealth Bond rate 1 Oct 2019	0.36%
Expected volatility	100%
Time to expiry	3 years

The expected future volatility of the Company's shares for the purpose of this valuation has been based on the historical volatility of Traka's shares over the past year – that volatility is approximately 100%.

The value of the options is particularly sensitive to volatility. The table below sets out the effect of different volatilities between 80% and 120% on the valuation above, all other assumptions remaining unchanged:

<b>Volatility</b>	<b>Value per option</b>	<b>Value of 2,000,000 options</b>
<b>(%)</b>	<b>(cents)</b>	<b>(\$)</b>
80	0.47	9,400
90	0.52	10,400
<b>100</b>	<b>0.58</b>	<b>11,600</b>
110	0.63	12,600
120	0.68	13,600

The Exercise Price of the options will be based on the VWAP of the Company's shares. The value that will be attributed to the options in the Company's accounts can only be established as at the Issue Date. The table below sets out the effect of different VWAPs of Traka shares and hence related Exercise Prices, on the valuation above, all other assumptions remaining unchanged:

<b>VWAP</b>	<b>Exercise Price</b>	<b>Value per option</b>	<b>Value of 2,000,000 options</b>
<b>(cents)</b>	<b>(cents)</b>	<b>(cents)</b>	<b>(\$)</b>
0.8	1.00	0.46	9,200
0.9	1.13	0.51	10,200
<b>1.01</b>	<b>1.26</b>	<b>0.58</b>	<b>11,600</b>
1.1	1.38	0.63	12,600
1.2	1.50	0.69	13,800

Note: In accordance with Australian Accounting Standard AASB 2 "Share Based Payments", the Company will calculate the actual value attributable to these options as at the Issue Date, and this cost will be recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

#### **Total remuneration package of Mr Verbeek**

The Company entered into a consultancy agreement with Malahang Pty Ltd on 14 October 2003 (Consultancy Agreement). In accordance with the terms of the Consultancy Agreement, Malahang agreed to provide the services of its employee, Mr Patrick Verbeek, to undertake all functions, duties, roles and authorities which the Company would require of a person engaged as Managing Director of the Company on a full time basis. The Consultancy Agreement commenced on 20 November 2003 with an initial term of 2 years and has been extended since for further terms of 1 or 2 years. The current term expires in November 2019. The current base consulting fee is \$250,000 per annum plus \$27,000 per annum compensation for the provision of a four-wheel-drive motor vehicle.

The amount expected to be paid under the Consultancy Agreement for the year ending 30 June 2020 is \$277,000 plus reimbursement of work related expenses. The total remuneration package of the Managing Director for the 2019/20 year under the current agreement and at the current rate of remuneration, including the estimated value of the proposed options, would amount to:

Fees (payable to Malahang)	\$277,000
Estimated value of proposed options based on assumptions as at the time of preparing this Notice	<u>\$ 11,600</u>
Total remuneration package	<u>\$288,600</u>

## Relevant interest of Mr Verbeek in the securities of the Company

Mr Verbeek has the following relevant interests in the securities of the Company:

Holding	Interest	Shares	Options
Malahang Pty Ltd	Mr Verbeek is a director and shareholder of Malahang Pty Ltd	17,708,783	2,000,000

### The effect of the issue on existing shareholders

There are currently 400,462,959 shares on issue in Traka. Should the 2,000,000 options proposed to be issued in this resolution be exercised in full, existing members' interests will be diluted by 0.5%.

These options represent a new category of unlisted options and consequently there is no trading history. The Company's shares have a 12 month price range of a high of 3.7 cents and a low of 1.0 cents with the last sale price being 1.1 cents on 3 October 2019.

The estimated cost to the Company of the issue of the options, based on the valuation set out in subsection 4.2, is \$11,600 or 0.003 cents per share on issue. The actual cost will depend on the VWAP of Traka shares and the related Exercise Price.

Except as stated in this Explanatory Memorandum, the Directors do not consider that, from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by granting the options, pursuant to this resolution, to Mr Verbeek or his nominee upon the terms proposed, except as otherwise disclosed in this Explanatory Statement.

Neither the Company nor the Directors are aware of any undisclosed information that would be reasonably required by shareholders to make a decision in relation to the potential financial benefits contemplated by this resolution.

### Directors' recommendation

Approval of this proposed resolution would have the effect of authorising the issue of 2,000,000 free options over unissued shares in the Company to Mr Verbeek.

The Directors, other than Mr Verbeek, do not have an interest in the outcome of this resolution and recommend that shareholders approve the issue of the options for the following reasons:

- (a) the options are considered by the Directors to provide a cost effective means of giving an incentive to Mr Verbeek to advance the Company's interests in accordance with the directions given from time to time by the board of directors; and
- (b) the number of options to be issued is considered to be in line with the number issued to directors of similar companies.

Mr Verbeek, who stands to gain personally from the issue of the options, declines to make any recommendation in relation to shareholders' consideration of this resolution.

## 4.3 Listing Rule 10.13 Disclosures

The following information is provided to satisfy ASX Listing Rule 10.13 to allow shareholders to assess the proposed issue of options in the Company:

- (a) The name of the director is Mr P A Verbeek;
- (b) The maximum number of options to be issued is 2,000,000;
- (c) The Issue Date will be the date of the passing of this resolution and in any event no later than 1 month after the date of the Meeting;

- (d) The options will be issued free on the terms and conditions set out in subsection 4.2 above;
- (e) A voting exclusion statement for this resolution is included in the Notice;
- (f) No funds will be raised by the issue of the options. If all the options are exercised, based on an Exercise Price of 1.26 cents per share, as used in the example valuation in subsection 4.2, the exercising of the options would result in an additional \$25,200 of working capital for the Company.

Approval of shareholders is being sought under this Resolution pursuant to ASX Listing Rule 10.11 for the issue of up to 2,000,000 options. Consequently, in accordance with, ASX Listing Rule 7.2 (Exception 14), shareholder approval under ASX Listing 7.1 is not required for the issue of these options.

## **Item 5 Resolution 4: Approval of placement facility**

### **5.1 Background**

The Company seeks prior Shareholder approval under ASX Listing Rule 7.1 for the issue of up to **60,000,000** ordinary fully paid shares in the Company (Placement Shares), at an issue price that is at least 80% of the VWAP of the Company's ordinary shares calculated over the last 5 days on which sales in the Company's ordinary shares are recorded before the day on which the issue of the Placement Shares for the purposes of the ASX Listing Rules (or, if a prospectus or other information statement is issued in relation to the Placement, before the date of signing of that document).

The Directors believe that Resolution 4 is in the best interests of the Company, giving it the strategic capability and flexibility it may require to take advantage of opportunities as they may arise from time to time and recommend that shareholders vote in favour of it.

### **5.2 Listing Rule 7.3 Disclosures**

For the purposes of ASX Listing Rule 7.3, information regarding the placement facility is provided as follows:

(a) **The maximum number of securities to be issued**

The maximum number of shares that the Company may issue under this proposed facility is 60,000,000 ordinary fully paid shares.

(b) **The date by which the Company will issue the securities**

The Placement Shares may be issued no later than 3 months after the date of the Meeting (or by such later date as the ASX may allow).

(c) **The issue price of the securities**

The Placement Shares will be issued at an issue price per share calculated in accordance with ASX Listing Rule 7.3.3 of at least 80% of the VWAP of the Company's fully paid ordinary shares over the last 5 days on which sales of the Company's shares are recorded before the day of issue of the Placement Shares for the purposes of the ASX Listing Rules (or, if a prospectus or other information statement is issued in relation to the issue, before the date of signing of that document).

(d) **The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected**

The identities of the persons to whom the Company would propose issuing the shares in respect of the Placement Facility are not currently known and have not been ascertained. It is expected that the Placement Shares, if the Placement proceeds, will be issued at the discretion of the Directors to institutional, professional and sophisticated investors. None of these entities will be related parties of the Company.

(e) **The terms of the securities**

The Placement Shares will comprise ordinary fully paid shares of the Company ranking equally with all other ordinary shares of the Company.

(f) **The intended use of the funds raised**

The funds raised by the issue of Placement Shares will be used for the advancement of the Company's exploration activities, and to provide working capital.

(g) **The dates of issue or a statement that the issue will occur progressively**

The issue of the Placement Shares may occur progressively.

(h) **A voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice.

(i) **In the case of an agreement for the allotment of securities which is part of a public offer, a voting exclusion statement in relation to a party to the agreement, and an adequate summary of the agreement**

Not applicable.

# TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Ground Floor, 43 Ventnor Avenue  
West Perth WA 6005

**Mailing Address:**

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Telephone: 61 8 9322 1655

Facsimile: 61 8 9322 9144

Email: traka@trakaresources.com.au

Web: www.trakaresources.com.au

## Proxy Form

I/we.....(full name, block letters)

of.....  
being a member of **Traka Resources Limited** hereby appoint

.....  
or, failing him, the chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at **11:00 am on Friday 29 November 2019**, and at any adjournment thereof in accordance with the directions indicated below.

### MY/OUR INSTRUCTIONS AS TO VOTING ON THE RESOLUTIONS

If two proxies are being appointed, the proportion of voting rights this proxy is appointed to represent is

 %

The proxy is directed to vote in relation to the resolutions referred to in the Notice as follows:

#### ORDINARY BUSINESS

	FOR	AGAINST	ABSTAIN
Resolution 1: Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of Mr Joshua Pitt as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Issue of options to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Approval of placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Chairman's Voting Intentions:

I/we understand that the chairman of the meeting intends to vote undirected proxies in favour of all items of business.

#### Additional Instructions:

**Resolutions 1 and 3:** Where I/we have not specified above how my/our proxy is to vote in relation to Resolutions 1 and 3 and my/our proxy is a member of the key management personnel of the Company, or a closely related party of that member, I/we understand that:

- a) where my proxy is the chairman of the meeting, I/we hereby expressly authorise him to exercise my my/our proxy, even if the resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel of the Company;
- b) where my proxy is not the chairman of the meeting, he is not permitted to cast my/our vote on these resolutions, and my/our vote will not be counted in computing the required majority if a poll is called on these items.

#### AUTHORISED SIGNATURE/S

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

This form is to be used in accordance with the instructions overleaf.

## ***Instructions for completing and lodging this Proxy Form***

1. In order to direct the proxy in relation to all votes covered by this instrument in a particular manner, place a tick or a cross in one of the boxes headed "For", "Against" or "Abstain". Where no mark is made in any of the boxes for a resolution (that is no direction is given to the proxy) the proxy may vote as he sees fit, subject to restrictions that may apply, such as in the case of Resolutions 1 and 3 – see below. Please note that, if you mark the "Abstain" box for a particular resolution, your votes will not be counted in computing the required majority on a poll.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and, on a poll, to vote in their stead.
3. Where two proxies are appointed, neither proxy shall be entitled to vote on a show of hands and, on a poll, the appointment shall be of no effect unless each proxy is appointed to represent a specified proportion of the shareholder's voting rights, in which case the shareholder should indicate the proportion of voting rights this proxy represents in the box provided.
4. A proxy may, but need not, be a shareholder of the Company.
5. The Proxy Form must be signed by the shareholder or his attorney duly authorised in writing (or, if the holder is a corporation, pursuant to Section 127(1) of the Corporations Act).
6. The Proxy Form (and any power of attorney or other authority pursuant to which the Proxy Form has been signed) must:
  - either be deposited at the registered office of Traka, Ground Floor, 43 Ventnor Ave, West Perth, WA 6005;
  - or be sent by mail to Traka Resources Limited, PO Box 601, West Perth, WA 6872;
  - or be sent by facsimile to Traka at (08) 9322 9144;
  - or be sent by email to [traka@trakaresources.com.au](mailto:traka@trakaresources.com.au);in time to be received not later than 48 hours before the time fixed for the holding of the meeting.
7. Proxy voting by key management personnel on remuneration related resolutions:

### **Resolution 1 – Adoption of the Remuneration Report**

In accordance with subsection 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of, either

- (a) a member of the key management personnel of the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

Subsection 250R(5) however provides that a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above, and either:

- (a) the person does so as a proxy, appointed by writing that specifies how the proxy is to vote on the resolution; or
- (b) the person is the chairman of the meeting, and the appointment of the chairman of the meeting as proxy
  - (i) does not specify how the proxy is to vote on the resolution; and
  - (ii) expressly authorises the chairman of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

### **Resolution 3 - Issue of options to the Managing Director**

Subsection 250BD(1) of the Corporations Act provides that a person who is a member of the key management personnel of the Company, or a closely related party of that member, who is appointed as a proxy, is prohibited from voting on a resolution connected directly or indirectly with the remuneration of a member of the key management personnel of the Company where their appointment does not specify the way the proxy is to vote on the resolution. This restriction applies to Resolution 3 since it deals with the remuneration of the Managing Director, Mr P Verbeek, who is a member of the key management personnel of the Company.

Subsection 250BD(2) however states that the above prohibition does not apply to the chairman of the meeting where the appointment of the chairman of the meeting as proxy expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with a member of the key management personnel of the Company.

**Shareholders eligible to cast a vote on Resolutions 1 and 3 are encouraged to specify how their proxy is to vote on these resolutions by marking the 'For' or 'Against' boxes alongside Resolutions 1 and 3 overleaf.**

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