



Traka Resources Limited

ABN 63 103 323 173

ASX Shareholders Report

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ASX

AUSTRALIAN SECURITIES EXCHANGE

ASX Code: "TKL"

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Drilling Progress The Mt Shore and Yallalong Projects

Mt Short Project

A three hole diamond drilling program on the Mt Short Base Metal Project was completed on Tuesday 22 March. Three electromagnetic (EM) targets MS1, MS2 and MS5 were drilled as planned (Figure 1). Drill samples will be submitted for assay in the next few days and data compilation is still to be done, but the following preliminary observations were made:

- The MS1 conductor is a rich sulphidic contact zone between mafic and granite intrusive rocks. There is some scope for associated gold (Au) mineralisation.
- The MS2 conductor was not accounted for although minor levels of copper mineralisation were observed in the target position. It is possible the conductor is below the copper position as the hole was designed to hit the top and shallowest part of the modelled conductor body.
- The MS5 conductor was intersected as modelled and is seen to be associated with massive sulphide, comprising mostly pyrrhotite and pyrite. Broad low levels of lead (Pb), zinc (Zn) and copper (Cu) mineralisation were observed in the steep east dipping hanging wall rock sequence to the massive sulphides.

The preliminary observations, in combination with Traka's previous work on this project, are indicative of the presence of a larger mineralised system with analogies to other Volcanogenic Massive Sulphide (VMS) or Sedimentary Exhalative (SEDEX) ore deposit types. The closest nearby deposit of this nature, 50 kilometres away, is the undeveloped Trilogy Deposit (4.5 million tonnes with 1%Cu, 2.5%Pb, 1.4%Zn, 0.8 gram per tonne (g/t) Au and 1.4% silver (Ag)) owned by Silver Lake Resources Limited ⁽¹⁾.



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Follow-up drilling of a more systematic nature is now considered to be merited at Mt Short. The previous EM surveys have been instrumental in positioning the host stratigraphy but do not highlight the less conductive but mineralised layers that comprise part of the host sequence.

The Yallalong Project

A reverse circulation drilling program is scheduled to commence on the Yallalong Antimony Project now that the Mt Short program is complete (Figure 2). Drilling will commence next week, immediately after the Easter holiday, and is expected to comprise about 1,000 metres of extensional and infill drilling to the high grade intersections previously announced⁽²⁾.

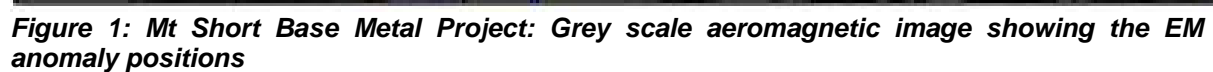
The direct drilling cost of the Yallalong drill program is 50% subsidised by a successful grant under the State Government Exploration Incentive Scheme (EIS).

Patrick Verbeek
Managing Director

⁽¹⁾ Tectonic Resources Limited - ASX Release 30 November 2010.

⁽²⁾ Traka Resources Limited - Quarterly Report 31 December 2015.

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr P. Verbeek, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of the Company. Mr Verbeek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 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.



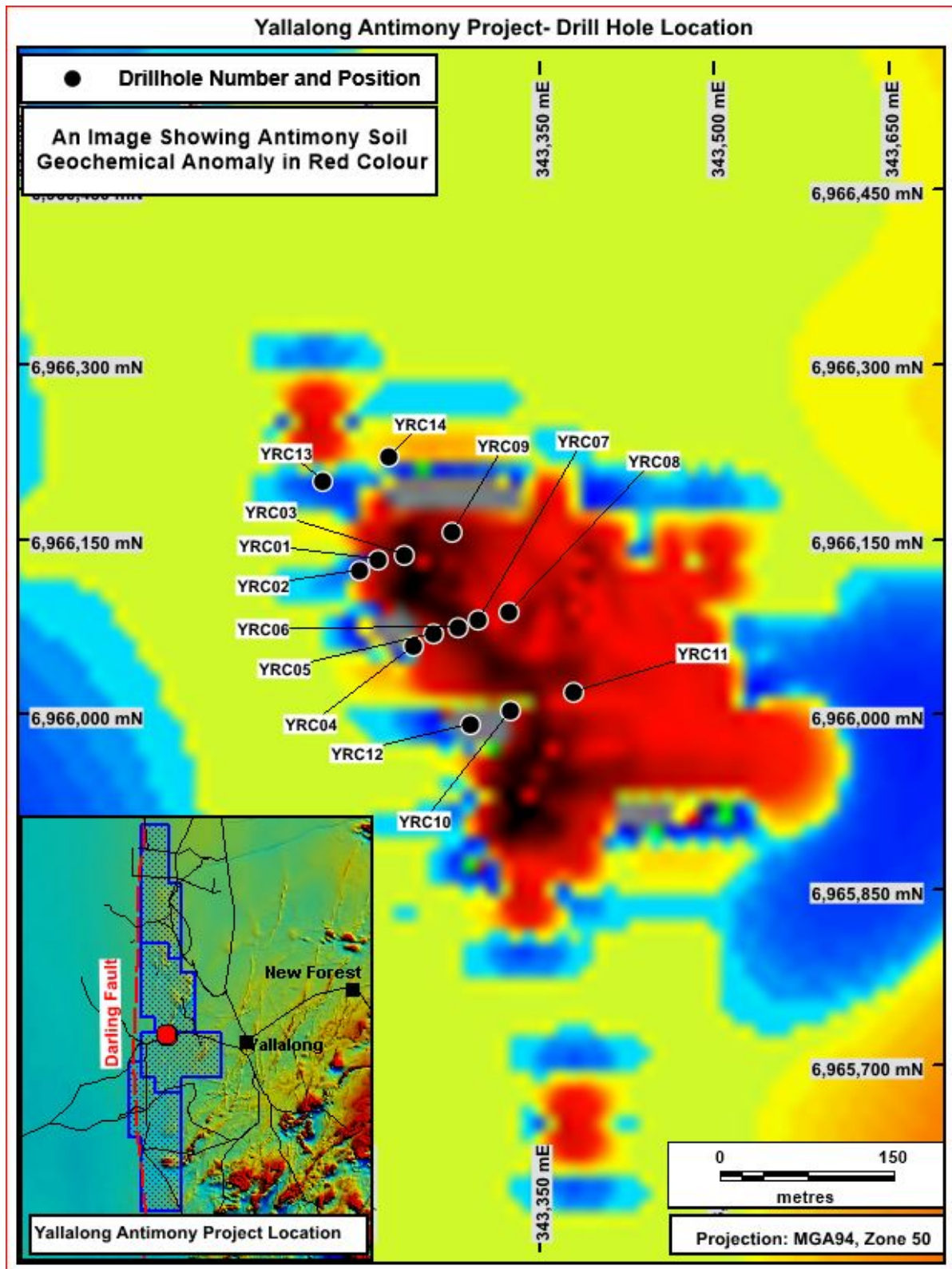


Figure 2: Yallalong Antimony Project: Drillhole locations over an antimony soil geochemical anomaly image (shown as red colour)