



# TRAKA RESOURCES LIMITED

ABN 63 103 323 173

## Quarterly Activities Report

for the three months ended 30 June 2016

### Summary

- Extensions and repetitions of flat lying lithium bearing pegmatite dykes from the abutting Mt Cattlin Lithium Mine lease into Traka's joint venture tenements bode well for the Company's participation in future development.
- High grade drilling intersections have been returned for the first drill program completed at the Yallalong Antimony Project. Additional targets have also been highlighted suggestive of other bodies of mineralisation.
- Drilling at the Mt Short Base Metal Project has intersected low grade lead, zinc and copper mineralisation interpreted to be peripheral to a zone of higher grade mineralisation.
- New ground to the immediate north of Mt Short overlies the extensions of the Mt Short base metal project and in addition will be explored for its lithium potential.
- The evaluation of other exploration projects is continuing.

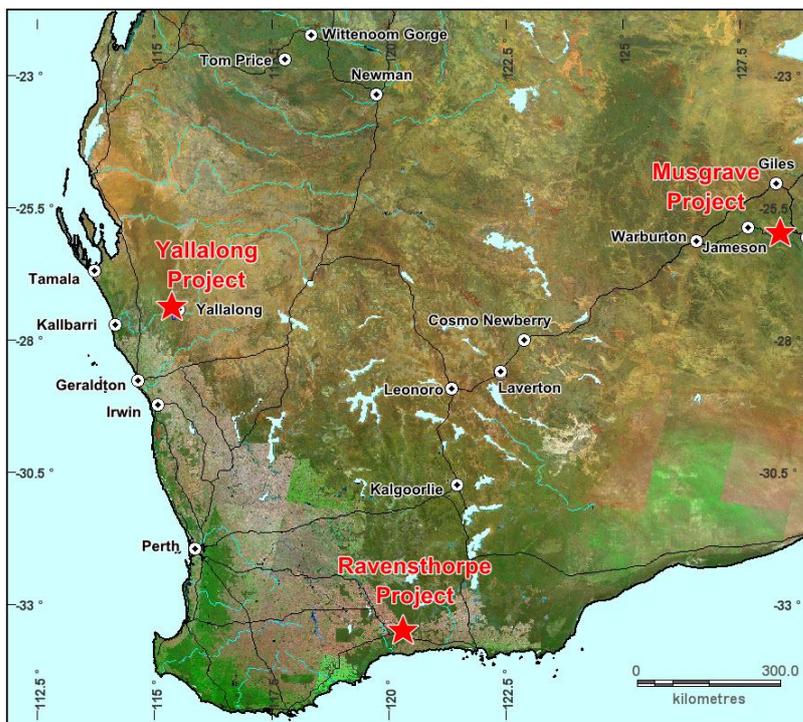
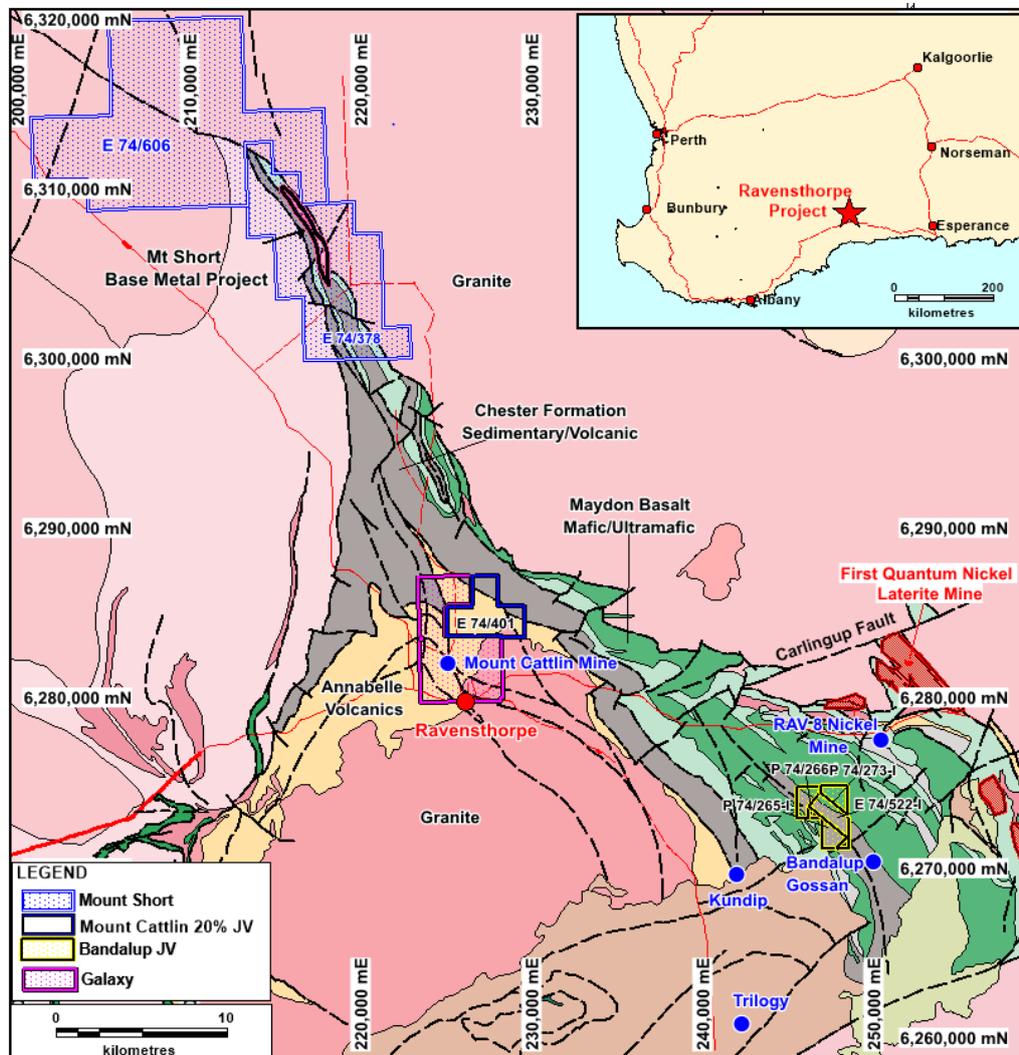


Figure 1. Location plan of Traka's Projects

## **The Ravensthorpe Project**

Traka's interest in the Ravensthorpe Project comprises three parts (Figure 2); a 20% free carried interest with Galaxy Resources Limited ("Galaxy") in abutting tenements to the Mt Cattlin Lithium Mine, the 100% owned Mt Short Base Metal Project and a 20% free carried interest on the Bandalup Joint Venture area with ACH Minerals Pty Ltd ("ACH").



**Figure 2. Location plan of the Ravensthorpe Project**

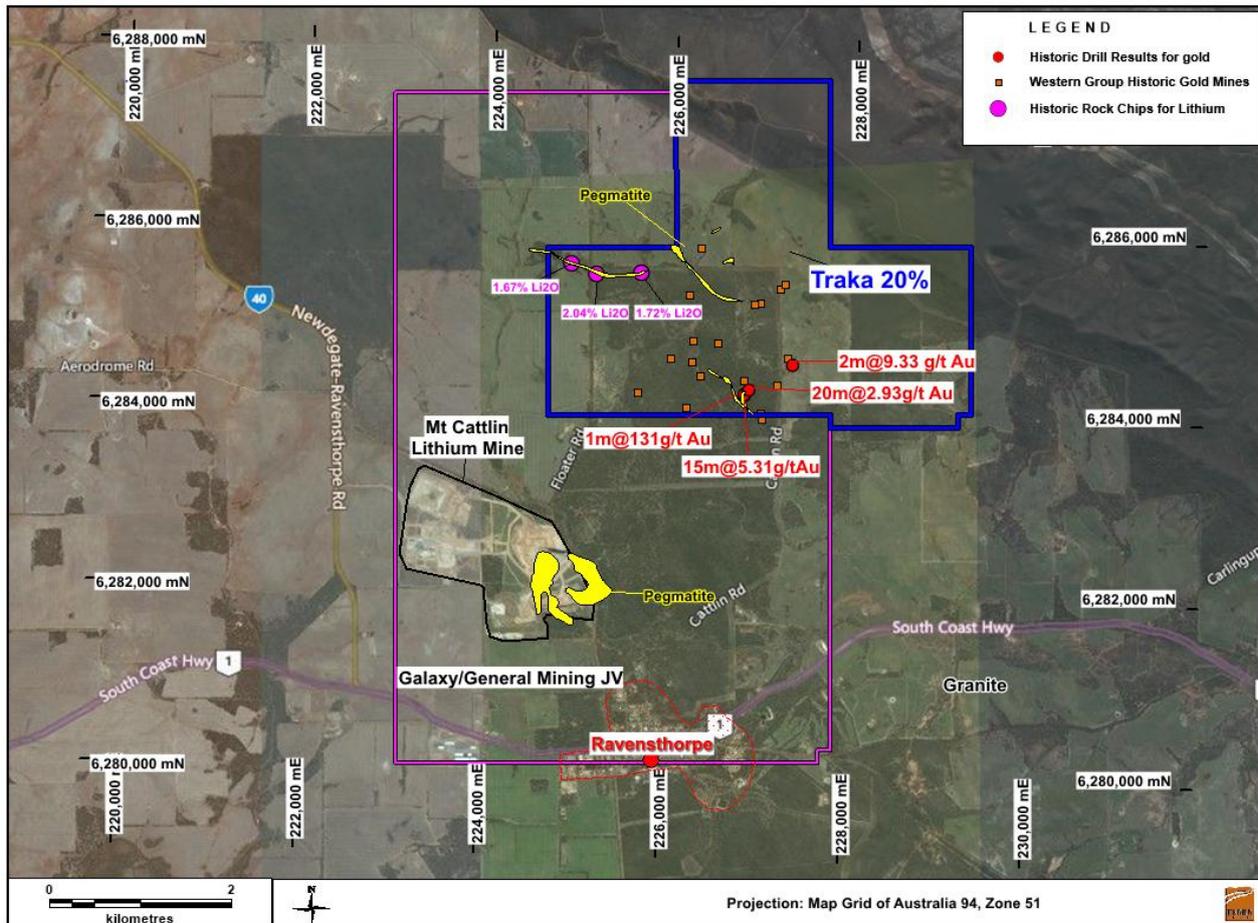
## **The Galaxy Joint Venture Mt Cattlin**

Traka has a 20% free carried interest through to production on any lithium and tantalum mined and a 20% free carried interest through to completion of a feasibility on any other commodities such as gold that occur on the joint venture tenements.

No joint venture activity has been formally reported this quarter, however General Mining Corporation Limited ("GMM"), manager of the neighbouring Mt Cattlin Mine, is reviewing the lithium and gold prospectivity of the joint venture tenement and is currently planning exploration drilling and other activities. GMM is currently deep diamond drilling the lease immediately south with some success encountering significant widths of spodumene-bearing pegmatite in a repetition at depth below the current resource (1). This drilling is considered stratigraphic in nature, and is attempting to unlock the geology and structure of the surrounding area. GMM confirms the scope of large flat lying pegmatites open in all directions and that they can roll and swell in thickness along dip and strike. GMM has recently indicated to Traka that it

considers the best prospectivity lies to the north and east of the current mine resource into the joint venture tenements. GMM is currently planning two diamond holes into this area for completion this year.

Historic exploration work by Traka and Galaxy highlighted the presence of pegmatite dykes with peak values between 1.67% and 2.04% Li<sub>2</sub>O (Figure 3). Subsequent shallow RC drilling of the outcropping north-western pegmatite in 2009 downgraded the immediate potential of the surface zones. However, GMM and Traka consider that these dykes may represent offshoots of larger pegmatite bodies intruding the peripheral zone around a large granitic body east of Mt Cattlin and the Traka joint venture tenement (Figure 4). This late stage intrusive body is postulated to have been the heat, pressure and fluid source for the lithium and tantalum bearing pegmatite mineralisation.



**Figure 3. The Mt Cattlin Lithium Mine within the Galaxy/GMM mine tenements plus Traka’s 20% joint venture tenement in the north-east quarter.**

In addition to lithium potential recognised on Traka’s joint venture tenement there remains very good scope for delineation of a number of high grade gold shoots which GMM intends to target as a secondary outcome to its lithium hosted pegmatite exploration. These shoots, last worked by prospectors in the 1930’s, commonly occur in immediate juxtaposition with the lithium and tantalum bearing pegmatites. This concurrence of gold and lithium mineralisation is often observed in other locations within the neighboring Forrestania (2) and Lake Johnstone (3) Greenstone Belts.

Traka demonstrated the continuity at depth of a number of these high grade gold shoots with peak intersections being 15 metres @ 5.31g/t (grams per tonne) and 1 metre @ 131g/t (Figure 4) (4).

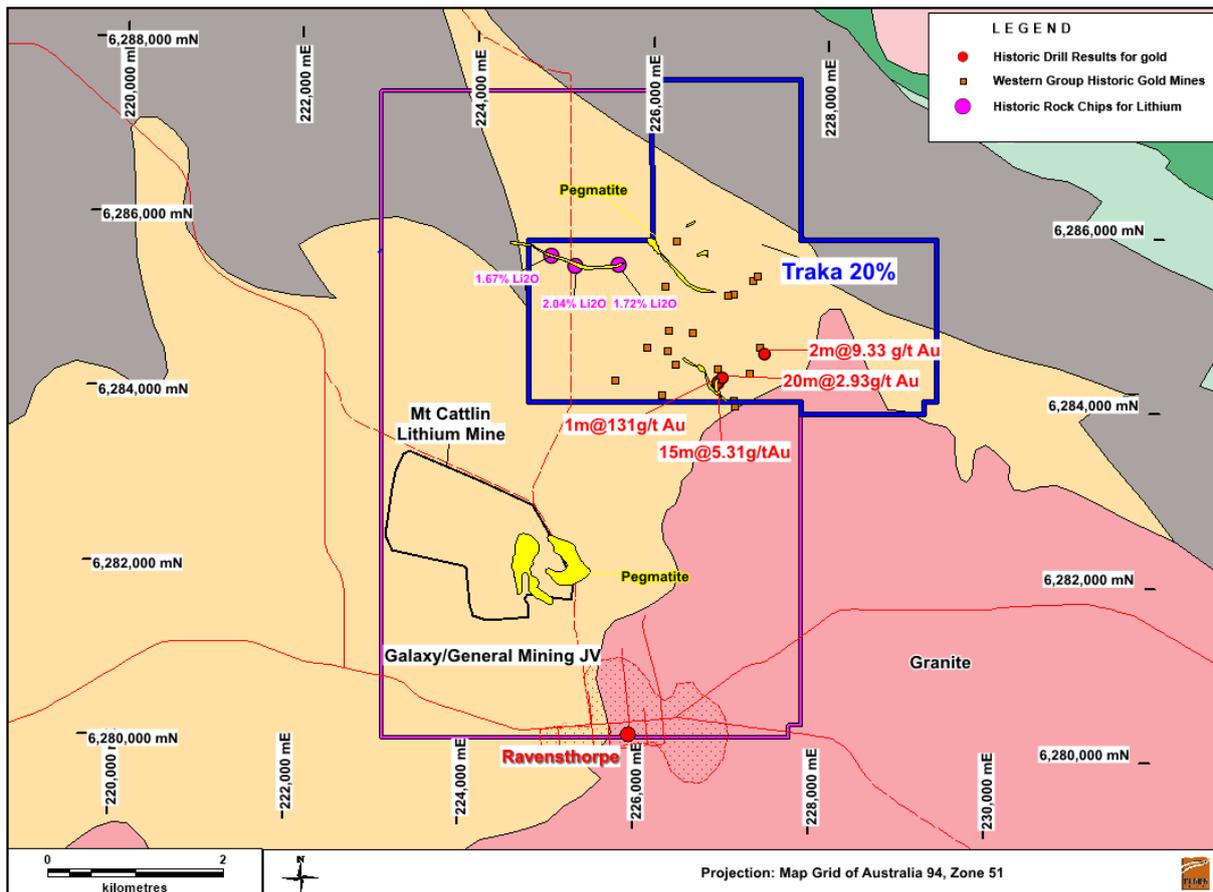


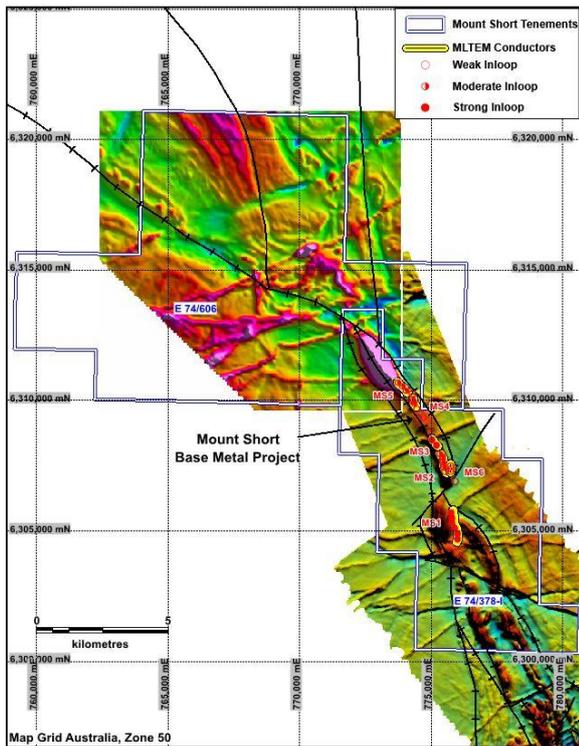
Figure 4. Geological setting of the Mt Cattlin Mine area showing historic lithium and gold exploration results.

### **The Mt Short Base Metal Project**

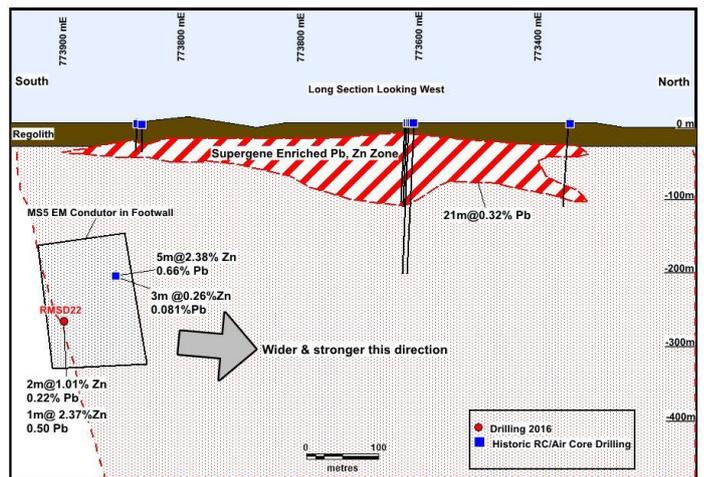
A diamond drilling program was completed at the Mt Short Base Metal Project and was reported on 2 May 2016 (5). The work completed on this project highlights the presence of lead, zinc and copper mineralised in stratigraphic sequence which extends for over 8 kilometres in length (Figure 5). Drillhole intersections of barren massive sulphides with high electrical conductance accounted for the electromagnetic (“EM”) anomalies but appear to have missed the main prospective zones of low conductance zinc and lead mineralisation. Lead and zinc sulphide mineralisation have a relatively poor electrical conductance and produce weak EM responses. It is therefore possible the better mineralised zones are being masked by the strong electromagnetic response emanating from the nearby massive sulphides bodies.

At the MS5 target area, where we have the benefit of some historic drill data, the main target for mineralisation lies within a 600 metre zone directly north of the drilled MS5 conductor (Figure 6). This zone is underneath a large supergene blanket previously highlighted in aircore drilling. Follow-up drilling of the MS5 target is merited and the next obvious step in project evaluation.

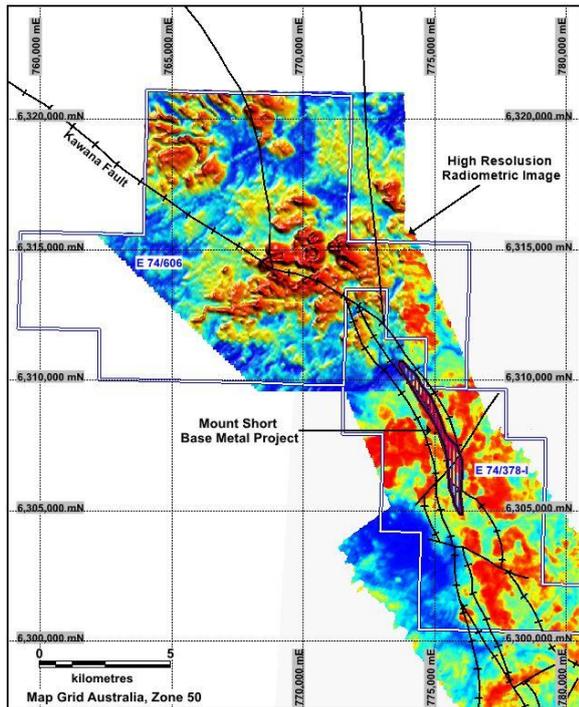
In the course of drilling the base metal targets a number of pegmatite dykes were intersected. Given the known potential for pegmatites to host lithium and tantalum mineralisation in the Ravensthorpe region, the pegmatites on the holes recently drilled and those from previous programs were inspected and sampled. Weakly anomalous levels of lithium up to 0.06% Li<sub>2</sub>O were detected in some of the pegmatites, attesting to the potential of the region as a whole, but did not give enough encouragement to warrant further testing at this locality.



**Figure 5. Aeromagnetic image showing the Mt Short Base Metal EM Project and new tenement to the north.**



**Figure 6. Schematic Long Section show the intersect point of drill RMSD22 through the mineralised horizon, the position of the MS5 conductor, the historic drilling and supergene zone.**



**Figure 7. Radiometric image north of the Mt Short Base Metal Project .**

A large new tenement recently acquired to the immediate north of Mt Short covers the strike extension of the base metal stratigraphy in addition to providing a further opportunity to investigate other potential for lithium and tantalum bearing pegmatites. High resolution radiometrics and aeromagnetics for part of the lease highlight numerous discrete linear features possibly indicative of intrusives dykes including pegmatites. Follow-up on investigation of this new opportunity will commence within the next few months (Figure 7).

**Bandalup Joint Ventures**  
**(Traka Free Carried 20%)**

No joint venture activity was reported by ACH Minerals Pty Ltd this quarter.

**The Yallalong Antimony Project**  
**(Traka Earning up to 80%)**

On the 24 May 2016 the Company announced encouraging drilling and exploration results on the Yallalong Antimony Project (6). Exercise of an Option to proceed with this joint venture and for Traka to earn the first stage 51% equity position followed receipt of these good results.

Two campaigns of drilling totalling 28 holes for a total of 1,864 metres were completed on the Discovery Target. Narrow high grade mineralisation within geological structures was intersected (Table 1 and Figure 8). Drilling on the Discovery Target highlighted mineralisation over about 350 metres of strike and down to about 80 metres of depth (Figure 8). Further drilling is now required to up-scale this target to economic proportions.

Yallalong Antimony Project -2015/2016 Drilling Intercepts							
Hole Id	Easting (m)	Northing (m)	Dip °	Azimuth°	From (m)	To (m)	Downhole width (m) & antimony (Sb) grade (%) by alkaline-fusion/ICP
YRC06	343281	6966076	-60	70	21	24	<u>3m @ 6.83% Sb</u>
	<i>Including</i>				22	23	<u>1m @ 13.60% Sb</u>
	343281	6966076	-60	70	49	52	<u>3m @ 2.45% Sb</u>
	<i>Including</i>				50	51	<u>1m @ 5.31% Sb</u>
YRC16	343337	6966100	-60	70	12	19	<u>7m @ 3.27% Sb</u>
	<i>Including</i>				18	19	<u>1m @ 11.5% Sb</u>
YRC08	343324	6966089	-60	250	50	52	<u>2m @ 2.90% Sb</u>
	<i>Including</i>				50	51	<u>1m @ 3.78% Sb</u>
YRC01	343212	6966134	-60	70	49	51	<u>2m @ 1.74% Sb</u>
	<i>Including</i>				50	51	<u>1m @ 2.69% Sb</u>
YRC10	343326	6966005	-60	250	23	26	<u>3m @ 1.61% Sb</u>
YRC03	343234	6966138	-60	70	10	13	<u>3m @ 1.59% Sb</u>
YRC27	343348	6966012	-60	250	13	19	<u>6m @ 1.35% Sb</u>
YRC07	343298	6966082	-60	70	43	46	<u>3m @ 1.14% Sb</u>
YRC20	343280	6966113	-60	70	57	58	<u>1m @ 1.04% Sb</u>
					63	64	<u>1m @ 0.54% Sb</u>
YRC05	343260	6966070	-60	70	56	57	<u>1m @ 0.95% Sb</u>
YRC18	343339	6966053	-60	70	11	13	<u>2m @ 0.86% Sb</u>
YRC25	343359	6965972	-60	70	1	2	<u>1m @ 0.73% Sb</u>
YRC22	343315	6965916	-60	70	12	13	<u>1m @ 0.52% Sb</u>
*Bottom Cut-off Sb % ≥ 0.5					<div style="display: inline-block; width: 15px; height: 10px; background-color: #f4a460; border: 1px solid black;"></div> First Phase Drilling		
*Projection: Map Grid of Australia 1994, Zone 50					<div style="display: inline-block; width: 15px; height: 10px; background-color: #a4c4f4; border: 1px solid black;"></div> Second Phase Drilling		

**Table 1. Significant drill hole intersections from the Discovery Target of Yallalong Antimony Project**

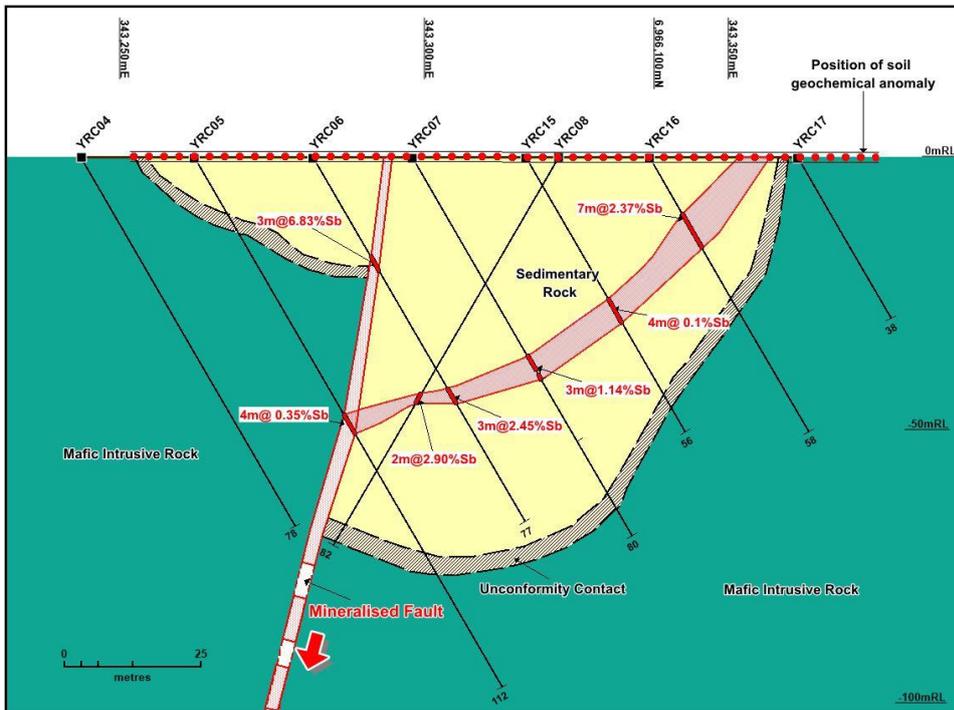


Figure 8. Schematic cross-section through the centre of the drilled area showing mineralisation in the fault zone and parallel to the mafic and sedimentary rock contact.

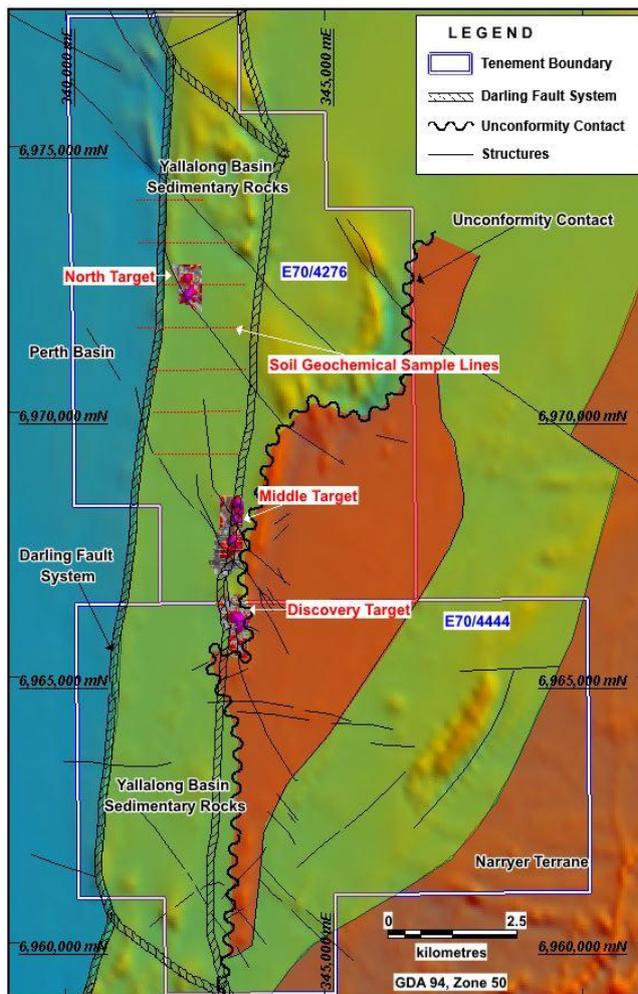
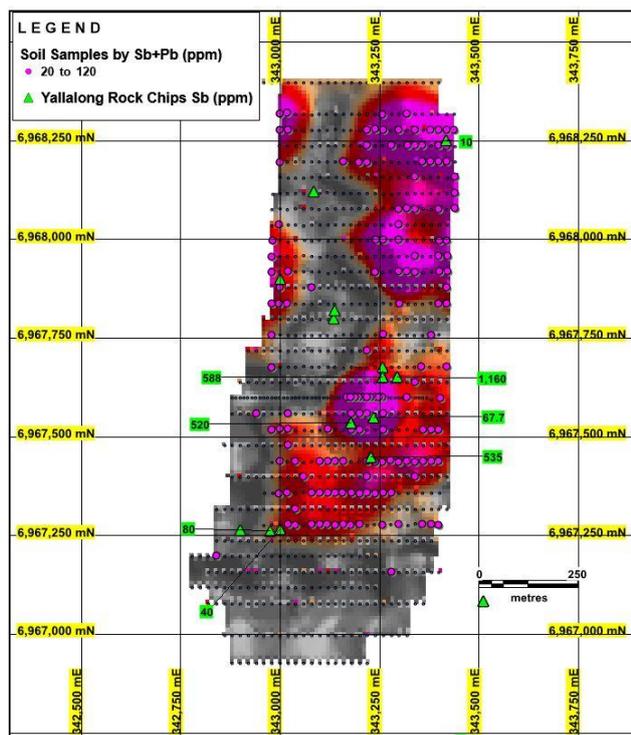


Figure 9. Aeromagnetic image showing the position of the Discovery, Middle and North Targets with respect to the Darling Fault System and unconformity contact.

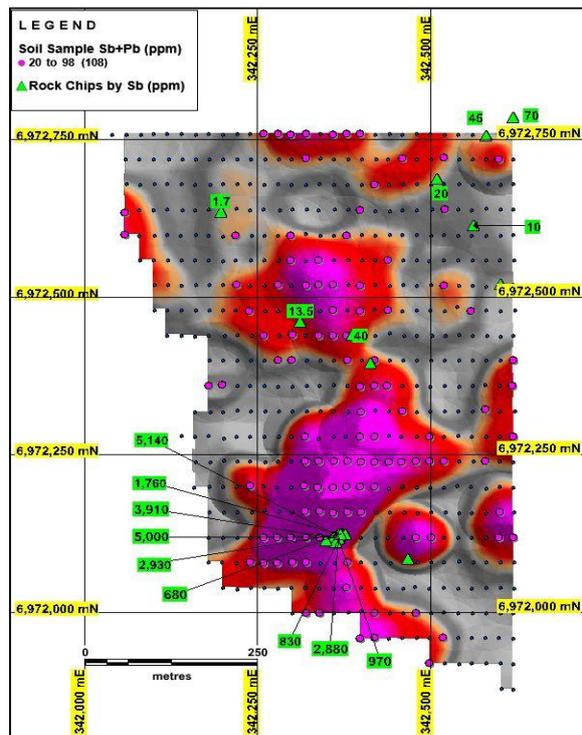
Soil and rock-chip sampling programs (2,800 samples) along a 10 kilometre long zone to the north of the Discovery Target have also highlighted two other good geochemical targets with visible antimony mineralisation and high assay results in rock-chips (Figure 9).

These targets, called the Middle Target and North Target, are in quartz veined shear zones hosted in sedimentary rocks (Figures 10 and 11). The Middle Target is approximately 1 kilometre long and best defined in soil geochemistry by antimony (“Sb”) and the associated pathfinder mineral lead (“Pb”). A number of high grade rock-chip samples (peak 1160ppm Sb) in quartz veins with visible antimony oxide mineralisation have been collected.

The North Target is a 500 metre long soil geochemical anomaly also with high grade rock chip samples (peak value 5140ppm Sb). The Middle and North Targets still need to be fully evaluated, particularly with respect to geological controls and structure, but show clear signs of further centres of antimony mineralisation.



**Figure 10. Middle Target showing anomalous Sb and Pb soil**



**Figure 11. North Target showing the anomalous Sb and Pb soil geochemistry (red and purple colours)**

A follow up program of geochemical, geological and geophysical work will now recommence ahead of further drilling. The prospective unconformity contact will be further investigated and magnetic surveys used to better define the structural controls to mineralisation. Some of the targets are likely to be obscured by regolith and are not amenable to surface geochemical sampling. Other targets, like that in the area already drilled, require deeper drilling to test the down-dip extension of mineralisation on the fault.

## **The Musgrave Project**

The Company continues to seek a joint venture partner and deal with permitting on this very prospective and drill-ready project. Seven Spectrem electromagnetic targets (“Spectrem”) have been highlighted from previous airborne surveys in the Latitude Hill area of the Musgrave Project (Figure 12).

The Spectrem targets are in favourable geological positions for sulphide associated nickel, copper and platinum mineralisation within feeder pipe bodies associated with the late phase mafic and ultramafic intrusives of the Giles Complex. All of the targets come within 100 to 300 metres of surface and are within reach of conventional RC or diamond drill rigs.

The Latitude Hill Spectrem targets are rare opportunities to advance exploration straight to drilling in a highly prospective Proterozoic terrain which already has very significant resources endowment at Babel, Nebo, Succoth and Wingellina. Three EIS (“State Government Exploration Incentive Scheme”) grants totalling \$432,000 are available to offset the direct drilling costs of this drill program. The identification and selection of the Spectrem targets culminates from many years of work and experience in the region.

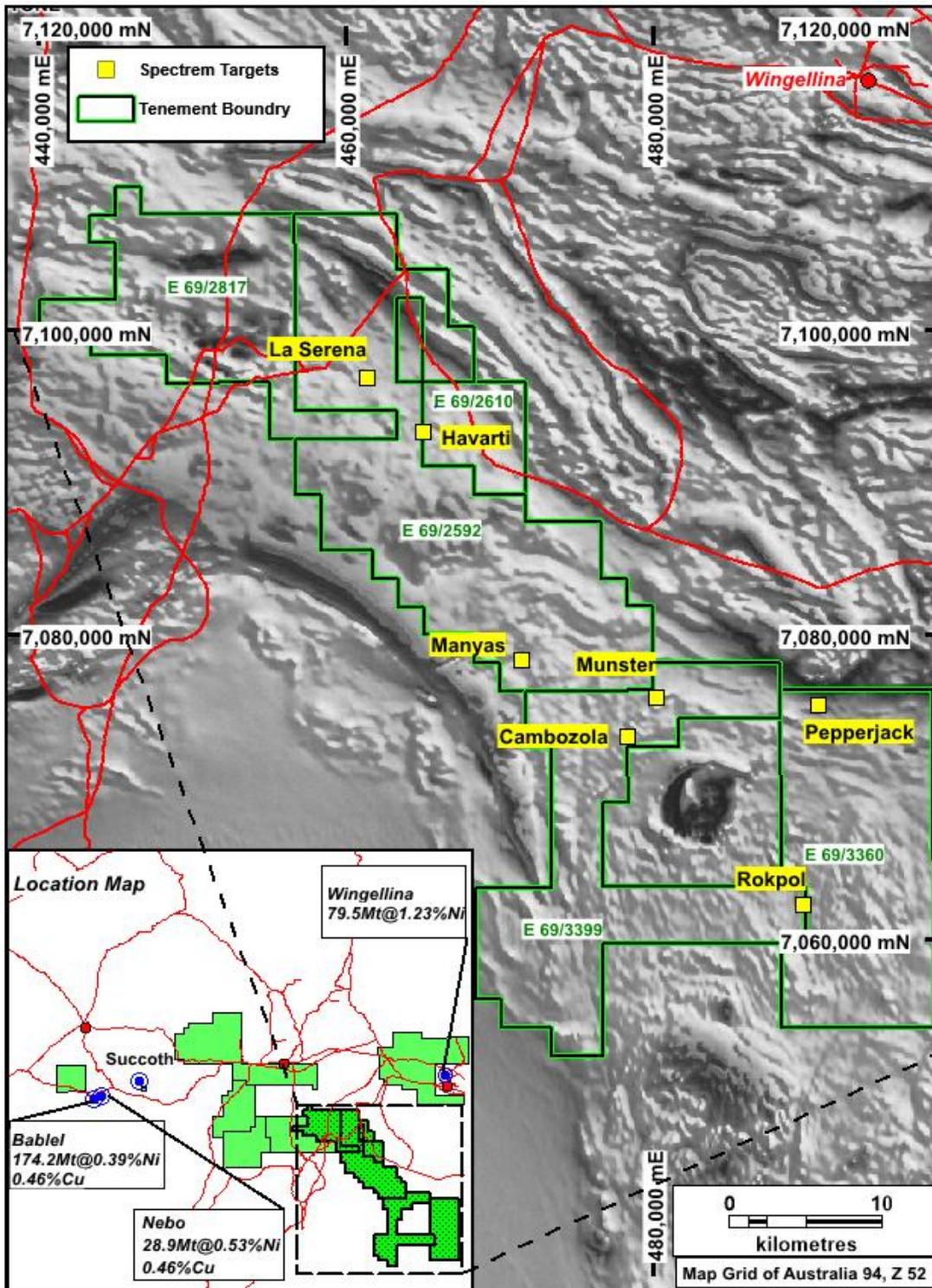


Figure 12. Greyscale aeromagnetic image showing the position of the 7 Spectrem targets.

## **New Project Development**

Whilst the Company is busy on several projects, ongoing efforts will continue to be made for other good opportunities to expand the company's exploration portfolio. The present period of depressed market conditions is a good leverage opportunity into new projects that can form part of the Company's longer term future.

Patrick Verbeek  
**Managing Director**

29 July 2016

- (1) GENERAL MINING ASX Announcement: *Significant Pegmatite Repetition encountered under known resources at Mt Cattlin - 22 June 2016.*
- (2) WESTERN AREAS *Quarterly Exploration Report - 22 April 2016*
- (3) KIDMAN RESOURCES ASX Announcement - *21 June 2016.*
- (4) TRAKA ASX *Announcement Exploration Program Update 28 August 2004*
- (5) TRAKA ASX Announcement: *Mt Short Base Metals Prospect Drilling Results - 3 May 2016.*
- (6) TRAKA ASX Announcement: *Yallalong Antimony Project - 24 May 2016.*

### COMPLIANCE STATEMENT

*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 is engaged full time as the Managing Director 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 it appears.*

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13

Name of entity

TRAKA RESOURCES LTD

ABN

63 103 323 173

Quarter ended ("current quarter")

30 June 2016

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(284)	(799)
(b) development	-	-
(c) production	-	-
(d) administration	(159)	(594)
1.3 Dividends received	-	-
1.4 Interest & other items of a similar nature received	3	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) Receipt	-	-
Payment	-	-
<b>Net Operating Cash Flows</b>	<b>(440)</b>	<b>(1,376)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(8)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	1
(d) Tenements	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>(7)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(440)</b>	<b>(1,383)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(440)	(1,383)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	(1)	1,596
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	(1)	1,596
	<b>Net increase (decrease) in cash held</b>	(441)	213
1.20	Cash at beginning of quarter/year to date	800	146
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	359	359

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
4.1 Estimated exploration and evaluation cash outflows for the next quarter are shown net of \$60,350 received in July 2016 relating to an Exploration Development Incentive.		

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

7.4 Issue of 2,262,444 new ordinary shares at 2.21 cents per share (\$50,000 total value) in consideration for the right to earn a 51% interest in the Yallalong tenements.

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A
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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	95
4.2	Development	-
4.3	Production	-
4.4	Administration	130
<b>Total</b>		<b>225</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1	59	280
5.2	-	-
5.3	-	-
5.4	300	520
5.5	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>359</b>	<b>800</b>

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+ See chapter 19 for defined terms.

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EA74/573 E74/489	Application withdrawn Tenement surrendered	100% 100%	0% 0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	EA69/2592 EA69/2610 EA69/2817	Increase in beneficial interest Increase in beneficial interest Increase in beneficial interest	100% 100% 100%	100% 100% 100%

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	227,714,527	227,714,527	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,262,444	2.21 cents	2.21 cents
7.5	<b>+Convertible debt securities</b> (description)			

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	2,000,000 450,000 2,000,000 450,000		<i>Exercise price</i> 8.75 cents 8.75 cents 2.56 cents 3.10 cents	<i>Expiry date</i> 17 November 2016 17 November 2016 9 March 2018 6 January 2018
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: **Peter Rutledge**  
Company Secretary

Date: **29 July 2016**

**Peter Rutledge**  
Print name:

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+ See chapter 19 for defined terms.

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.

**TRAKA RESOURCES LIMITED**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
**For the quarter ended 30 June 2016**

**Mining tenements and beneficial interests held at quarter end and their location:**

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	69/2592	Musgrave, WA	100%	100%	100%	100%
EA	69/2609	Musgrave, WA	100%	100%	100%	100%
EA	69/2610	Musgrave, WA	100%	100%	100%	100%
EA	69/2647	Musgrave, WA	100%	100%	100%	100%
EA	69/2648	Musgrave, WA	100%	100%	100%	100%
EA	69/2749	Musgrave, WA	100%	100%	100%	100%
EA	69/2816	Musgrave, WA	100%	100%	100%	100%
EA	69/2817	Musgrave, WA	100%	100%	100%	100%
EA	69/3156	Musgrave, WA	100%	100%	100%	100%
EA	69/3157	Musgrave, WA	100%	100%	100%	100%
EA	69/3356	Musgrave, WA	100%	100%	100%	100%
EA	69/3399	Musgrave, WA	100%	100%	100%	100%
EA	69/3421	Musgrave, WA	100%	100%	100%	100%
E	74/0378	Ravensthorpe, WA	100%	100%	100%	100%
E	74/0400	Ravensthorpe, WA	0%	0%	20%	20%
E	74/0401	Ravensthorpe, WA	20%	20%	20%	20%
E	74/0522	Ravensthorpe, WA	20%	20%	20%	20%
E	70/4276	Yallalong, WA	0%	0%	*0%	*0%
E	70/4444	Yallalong, WA	0%	0%	*0%	*0%
E	09/2130	Yallalong, WA	0%	0%	*0%	*0%
E	70/4653	Yallalong, WA	0%	0%	*0%	*0%

\* Earning up to 80%

**Mining tenements and beneficial interests acquired during the quarter, and their location:**

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	69/2592	Musgrave, WA	100%	100%	49%	100%
EA	69/2610	Musgrave, WA	100%	100%	49%	100%
EA	69/2817	Musgrave, WA	100%	100%	49%	100%

**Mining tenements and beneficial interests disposed of during the quarter, and their location:**

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	74/0573	Ravensthorpe, WA	100%	0%	100%	0%
E	74/0489	Ravensthorpe, WA	100%	0%	100%	0%

**Key:**

E: Exploration licence  
P: Prospecting licence

M: Mining lease  
EA: Exploration licence application