



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report for the three months ended 31 March 2016

Summary

- The Company's Ravensthorpe tenements are increasingly valued for their lithium potential. Commencement of mining by General Mining and Galaxy on the abutting Mt Cattlin Lithium Mine and exploration by other parties in the Ravensthorpe region is highlighting their prospectivity.
- Traka holds a 20% free carried joint venture interest in a tenement adjacent to the Mt Cattlin Lithium Mine with known lithium mineralisation in pegmatite dykes. Also, the large mineralised flat lying pegmatite dykes being mined at Mt Cattlin may extend into this tenement.
- A number of pegmatite dykes were intersected while drilling on the Mt Short Base Metal Project and these have been sampled for lithium and tantalum mineralisation.
- Drilling has been completed and the results awaited from the Mt Short Base Metal and Yallalong Antimony Projects.
- The evaluation of other exploration projects is continuing.

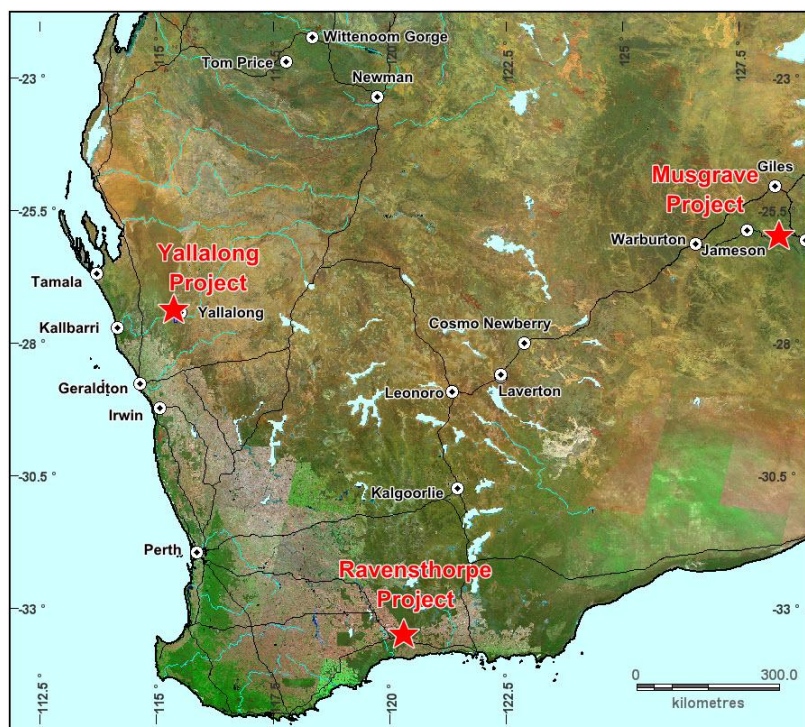


Figure 1. Location plan of Traka's projects

The Ravensthorpe Project

Traka's interest in the Ravensthorpe Project comprises three parts (Figure 2): the 20% free carried to production interest with Galaxy Resources Limited ("Galaxy") in an abutting tenement to the Mt Cattlin Lithium Mine (Figure 3), 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").

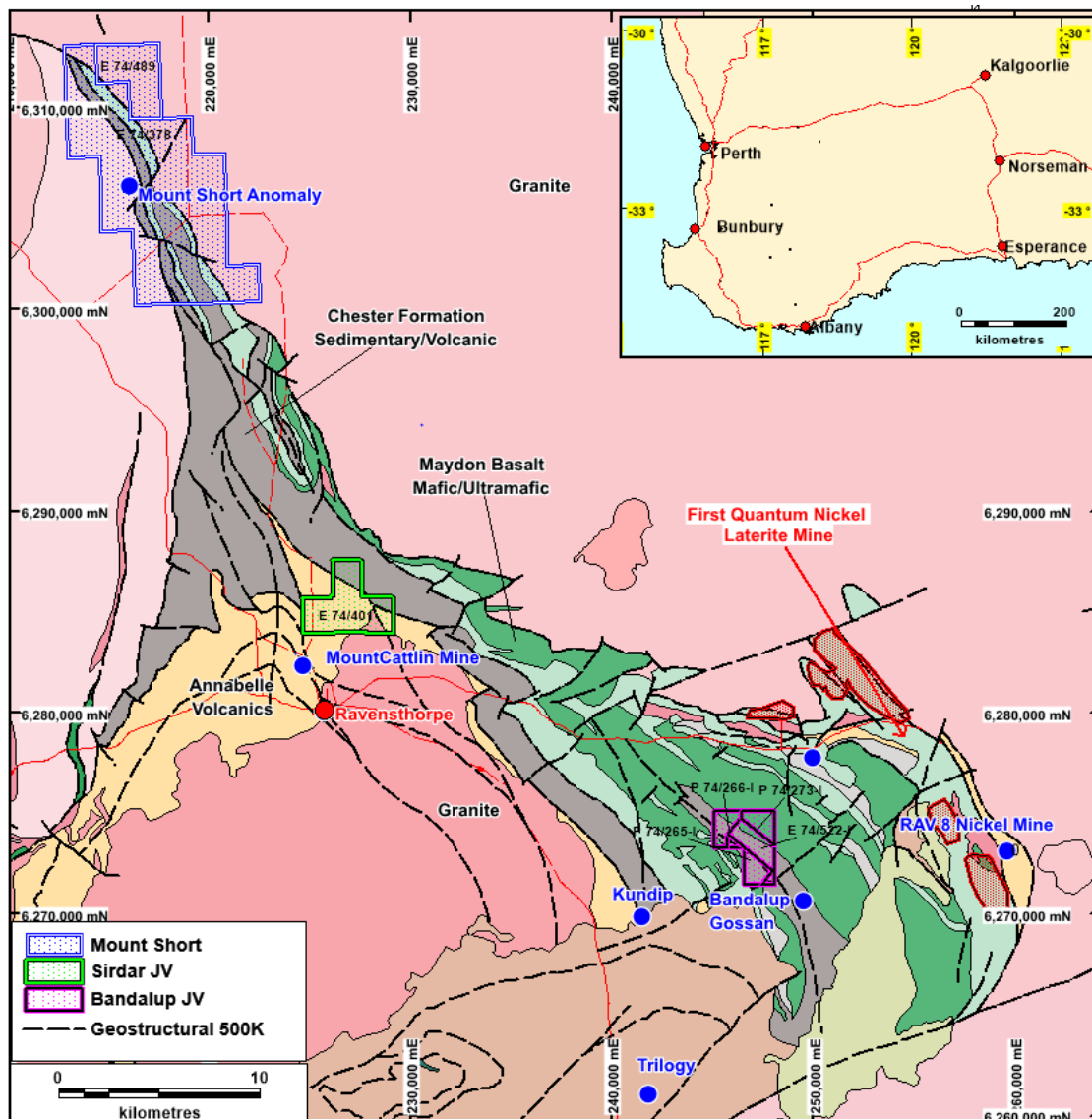


Figure 2. Location plan of the Ravensthorpe Project

The Galaxy Joint Venture Mt Cattlin: **(Traka Free Carried to production 20%)**

No joint venture activity has been reported this quarter but it is encouraging to see General Mining Corporation Ltd ("GMM") and Galaxy Resources Ltd ("Galaxy") move rapidly to restart mining operations on the abutting Mt Cattlin Lithium and Tantalum Mine (1)

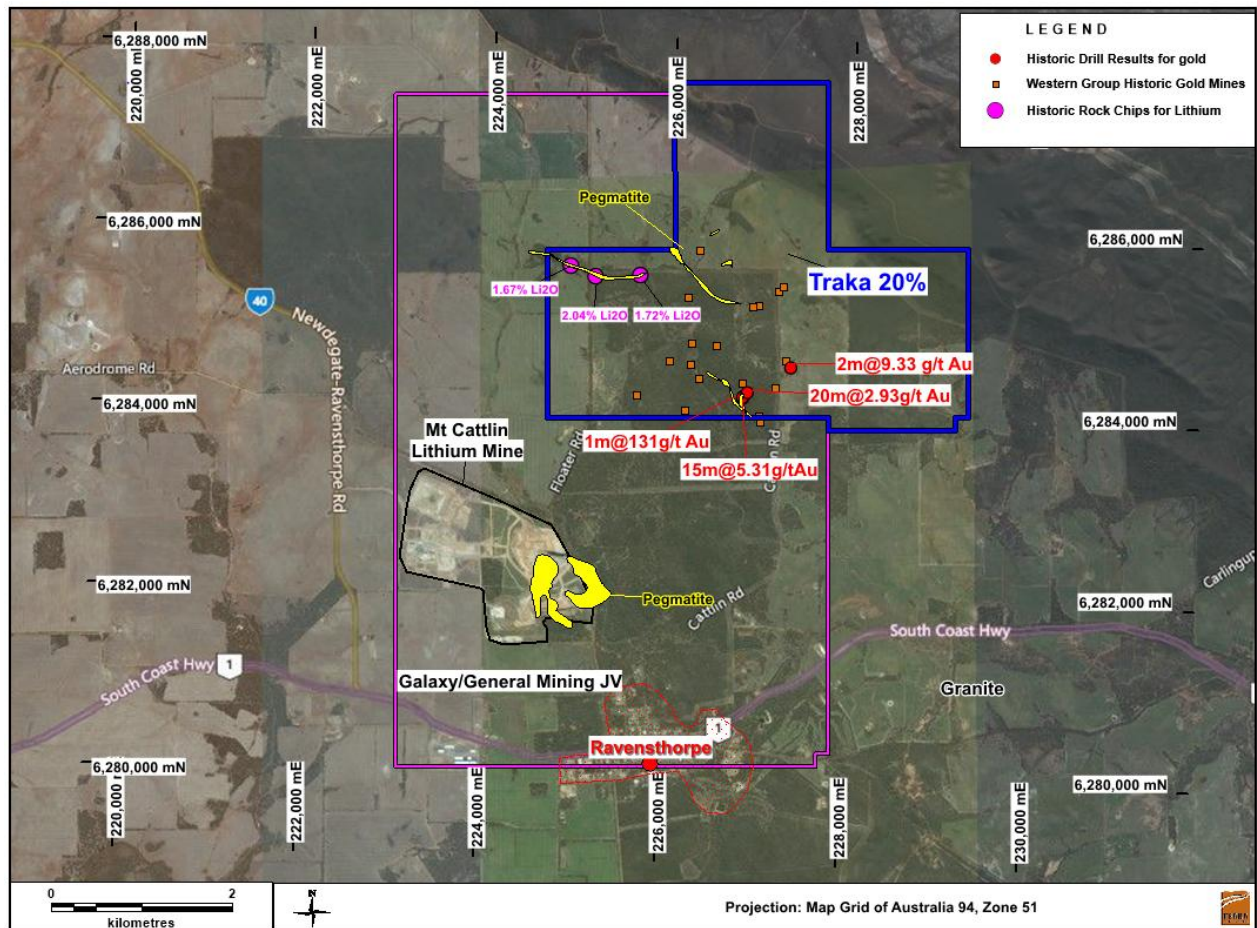


Figure 3. The Mt Cattlin Lithium Mine within the Galaxy/GMM mine tenements plus Traka's 20% joint venture tenement in the north-east quarter.

There are mineralised lithium and tantalum pegmatite dykes in the joint venture tenements (peak values between 1.67% and 2.04% Lithium) highlighted by historic exploration work programs (Figure 3). Previous geological mapping and drilling by Traka on gold prospects also highlighted the presence of other pegmatite bodies that have not been investigated for their lithium and tantalum content. The shared geological setting and the proximity of the Mt Cattlin Mine (Figure 4) underline the potential value of this project to the Company.

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.

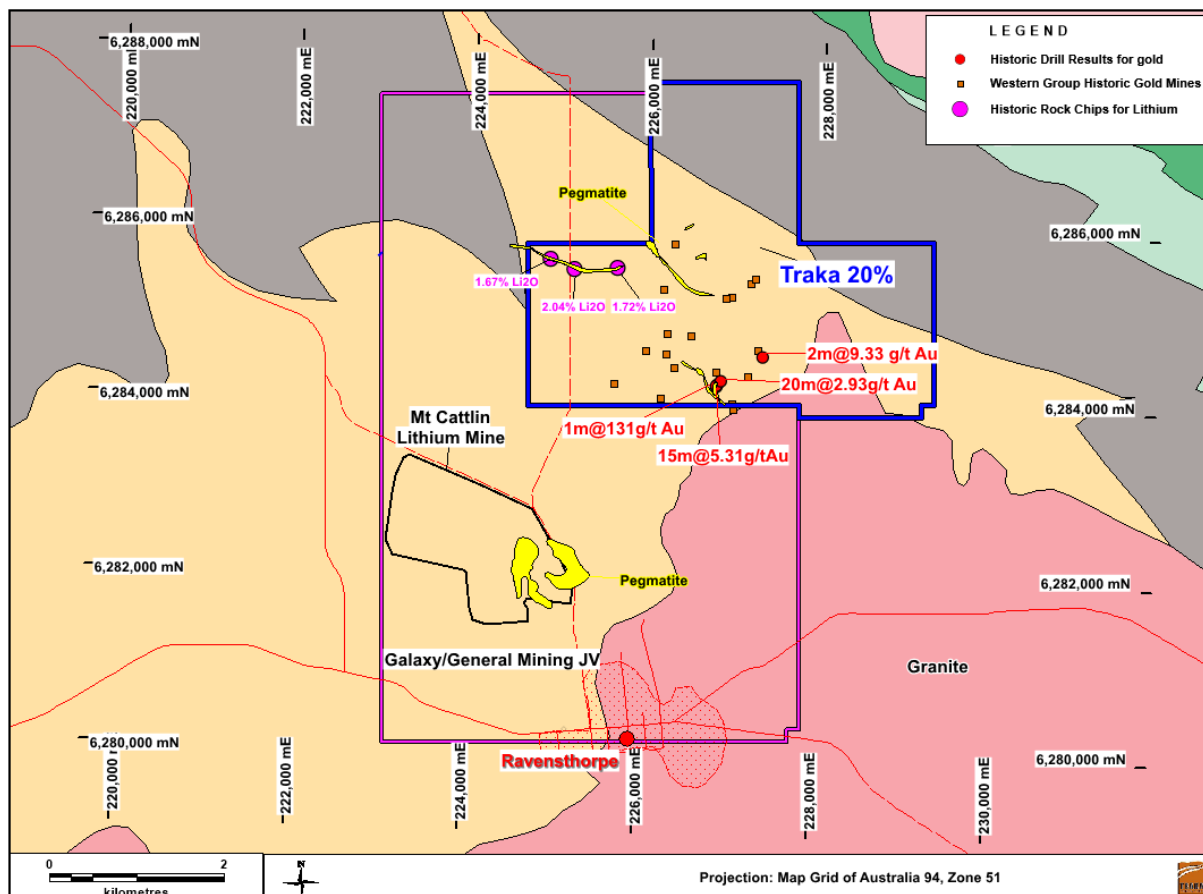


Figure 4. Geological setting of the Mt Cattlin Mine area showing historic lithium and gold exploration results.

The Mt Short Base Metal Project:

A three hole diamond drilling program comprising of 800.4 metres was completed at the Mt Short Base Metal Project on 21st March testing three electromagnetic targets (MS1, MS2 and MS5) as planned (Figure 5). The assay results for this program are awaited and compilation is still underway but the following preliminary observations were made:

- The MS1 conductor is a rich sulphidic contact zone on the contact 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 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 hanging wall sequences above the massive sulphides.
- A number of pegmatite dykes were intersected in this drilling and are being sampled and petrologically examined for lithium and tantalum mineralisation.

Aside from the lithium potential, the preliminary observations relating to the base metals mineralisation (i.e. lead, zinc and copper), indicates the presence of a mineralised system with analogies to 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 (2). The host rock stratigraphic sequence at Mt Short correlates quite well with that at Trilogy and both probably belong to the Chester Formation on the eastern margins of the Ravensthorpe Greenstone Belt (Figure 2).

This latest drill program adds to the previous work completed on an 8 kilometre long prospective zone on the northern margin of the Ravensthorpe Greenstone Belt. This northern margin is entirely located within freehold farming land where there is very limited rock exposure. No specific follow-up exploration plans are made while awaiting assays and geological compilation, but it is anticipated that the results will be positive and lead to a decision to undertake further drilling and geophysical work.

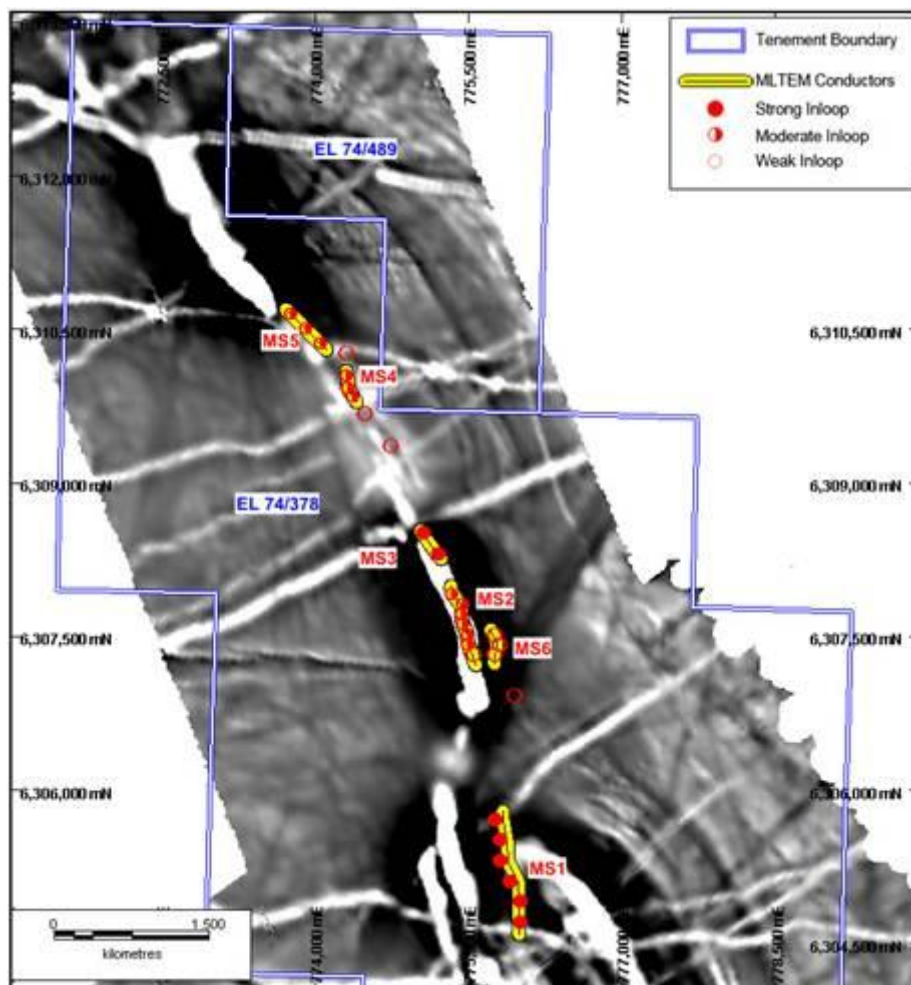


Figure 5: Grey scale aeromagnetic image showing the EM anomaly positions

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

No exploration information has been provided for this joint venture.

On the 29th of February Traka's Joint Venture Silver Lake Resources Ltd assigned its joint venture interest at Bandalup to ACG Minerals Pty Ltd. Traka has agreed to this assignment on the basis that Traka's 20% Free Carried interests are preserved.

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

A second reverse circulation ("RC") drill program comprising 16 holes for 686 metres was completed in early April. Assay results are awaited and geological compilation is underway. Initial observations indicate that the drilling has expanded the known mineralised zone reflecting the surface geochemical anomaly footprint and extending over about 350 strike length. A series of high grade narrow mineralised veins and structures make up this zone (Figure 6).

The other antimony prospects previously reported to the north of the drilled area attest to other antimony targets in the region ⁽³⁾. No further work has been done on these while drilling has remained the focus.

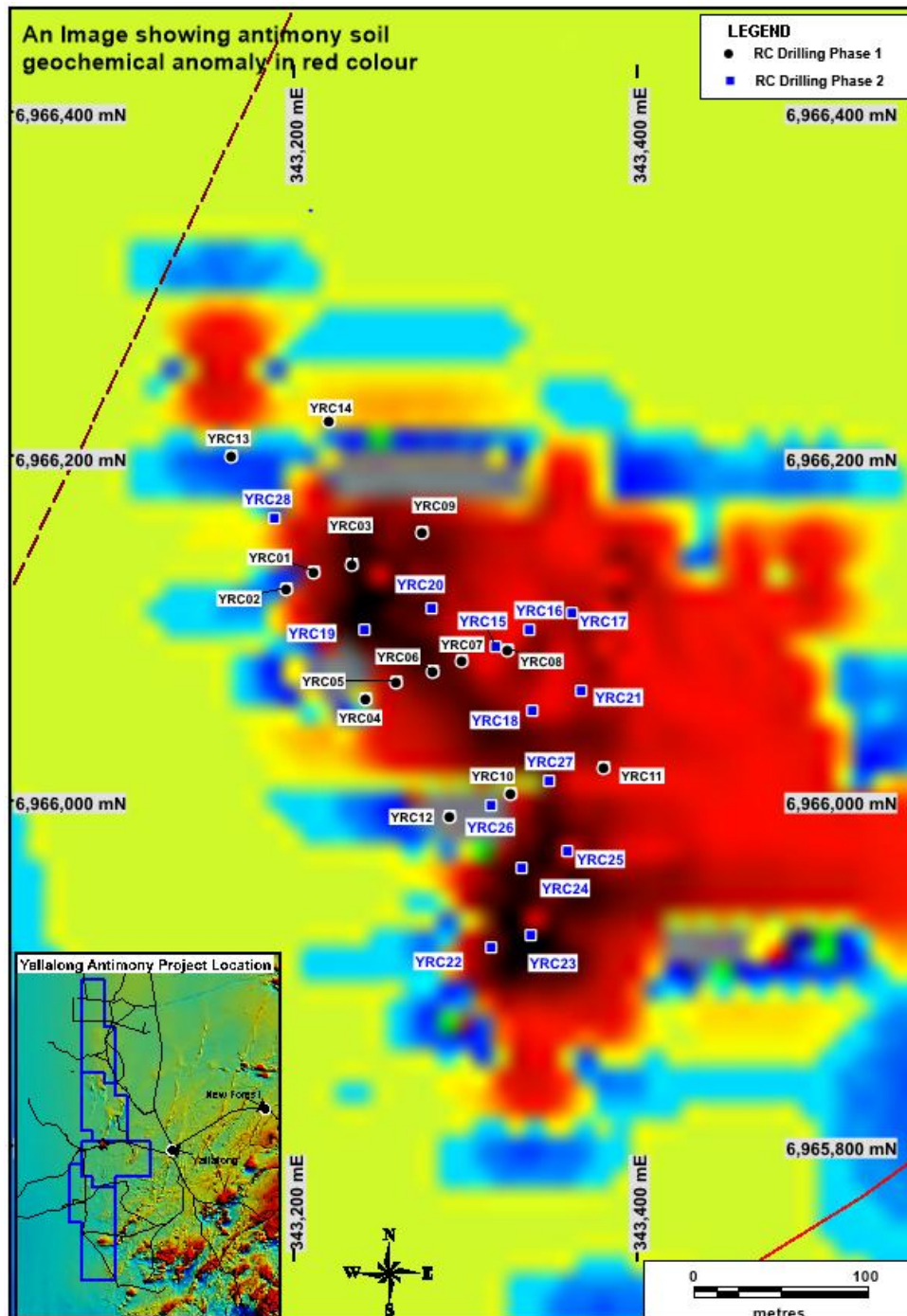


Figure 6. Yallalong Antimony Project showing drillhole locations over an antimony soil geochemical anomaly image (shown as red colour)

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 7).

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 is 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.

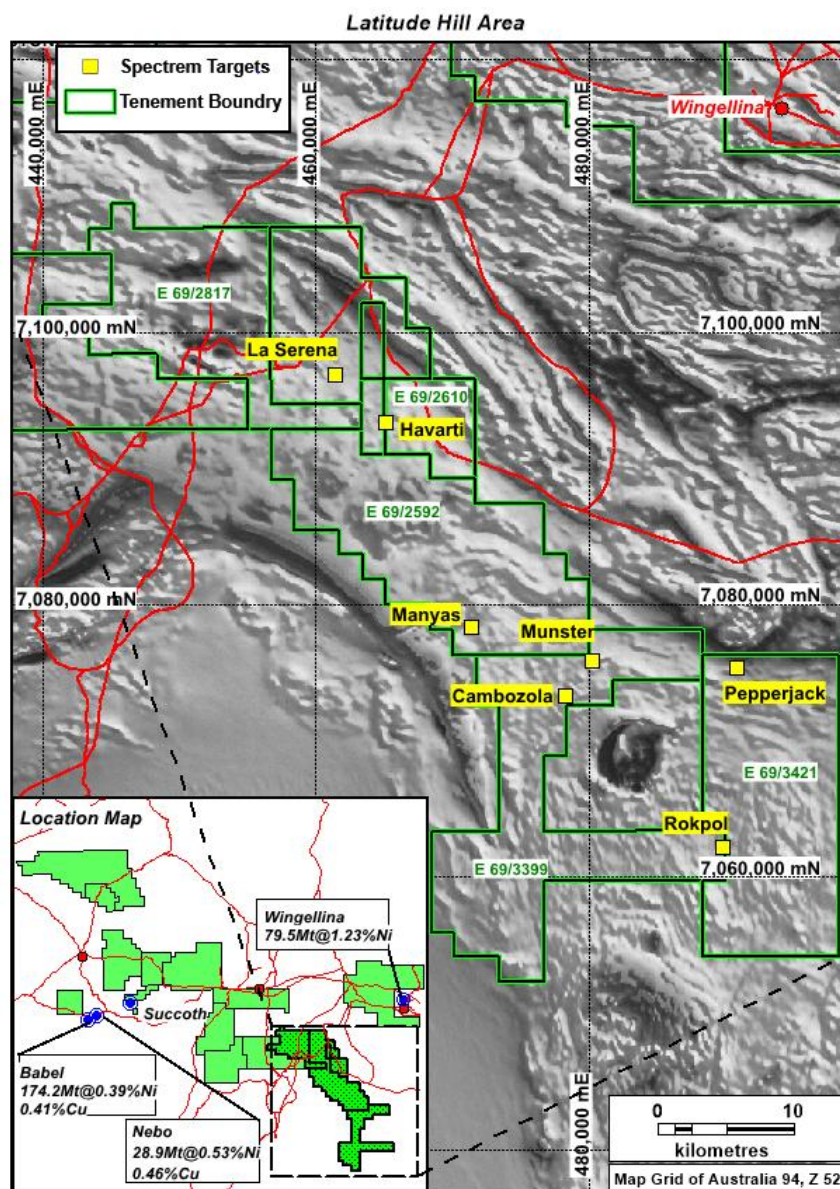


Figure 6: Greyscale aeromagnetic image showing the position of the 7 Spectrem targets.

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

20 April 2016

- (1) *ASX Announcement General Mining Corporation Ltd 1st April 2016.*
- (2) *Tectonic Resources Limited - ASX Release 30 November 2010.*
- (3) *Traka Quarterly Report 29 January 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 undertaking 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")

31 March 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(287)	(515)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(145)	(443)
1.3	Dividends received	-	-
1.4	Interest & other items of a similar nature received	6	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) Receipt	-	-
	Payment	-	-
Net Operating Cash Flows		(426)	(944)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4)	(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)	-	-
Net investing cash flows		(4)	(7)
1.13	Total operating and investing cash flows (carried forward)	(430)	(951)

+ 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)	(430)	(951)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,605
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)	-	-
	Net financing cash flows	-	1,605
	Net increase (decrease) in cash held	(430)	654
1.20	Cash at beginning of quarter/year to date	1,230	146
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	800	800

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	85
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	N/A	

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

N/A

+ 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

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	325
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	425

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 Cash on hand and at bank	280	310
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposit	520	920
5.5 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	800	1,230

+ 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	69/2449 69/2618 69/2747 69/3355 74/309 74/310	Application withdrawn Tenement surrendered Tenement surrendered Application withdrawn Tenement surrendered Tenement surrendered	100% 100% 90% 100% 20% 20%	0% 0% 0% 0% 0% 0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	69/3421	Application	0%	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	+Ordinary securities	225,452,083	225,452,083		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	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	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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: **20 April 2016**

Print name: **Peter Rutledge**

+ 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.

+ See chapter 19 for defined terms.

TRAKA RESOURCES LIMITED
MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)
For the quarter ended 31 March 2016

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

Type	Tenement	Location	Registered Holding		Beneficial Interest	
EA	69/2592	Musgrave, WA	100%		49%	
EA	69/2609	Musgrave, WA	100%		100%	
EA	69/2610	Musgrave, WA	100%		49%	
EA	69/2647	Musgrave, WA	100%		100%	
EA	69/2648	Musgrave, WA	100%		100%	
EA	69/2749	Musgrave, WA	100%		100%	
EA	69/2816	Musgrave, WA	100%		100%	
EA	69/2817	Musgrave, WA	100%		49%	
EA	69/3156	Musgrave, WA	100%		100%	
EA	69/3157	Musgrave, WA	100%		100%	
EA	69/3356	Musgrave, WA	100%		100%	
EA	69/3399	Musgrave, WA	100%		100%	
EA	69/3421	Musgrave, WA	100%		100%	
E	74/0378	Ravensthorpe, WA	100%		100%	
E	74/0401	Ravensthorpe, WA	20%		20%	
E	74/0489	Ravensthorpe, WA	100%		100%	
E	74/0522	Ravensthorpe, WA	20%		20%	
EA	74/0573	Ravensthorpe, WA	100%		100%	
E	70/4276	Yallalong, WA	0%		*0%	
E	70/4444	Yallalong, WA	0%		*0%	
E	09/2130	Yallalong, WA	0%		*0%	
EA	70/4653	Yallalong, WA	0%		*0%	

* Earning up to 80%

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

	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	69/3421	Musgrave, WA	0%	100%	0%	100%

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

	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	69/2449	Musgrave, WA	100%	0%	100%	0%
E	69/2618	Musgrave, WA	100%	0%	100%	0%
E	69/2747	Musgrave, WA	90%	0%	90%	0%
EA	69/3355	Musgrave, WA	100%	0%	100%	0%
P	74/309	Ravensthorpe, WA	20%	0%	20%	0%
P	74/310	Ravensthorpe, WA	20%	0%	20%	0%

Key:

E: Exploration licence
P: Prospecting licence

M: Mining lease
EA: Exploration licence application