



# Traka Resources Limited

ABN: 63 103 323 173

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21 November 2013

Company Announcements Office

ASX Limited

PO Box H224 Australia Square

SYDNEY NSW 2000

Dear Sir / Madam

## **Share Purchase Plan (SPP) Document and Letter to Shareholders**

Attached is a copy of a letter being despatched today to Australian and New Zealand registered shareholders of Traka, registered as at the SPP Record Date of 12 November 2013.

The letter is accompanied by the SPP Document and Application Form which set out details of the SPP and how eligible shareholders may apply for ordinary shares in the Company.

Applications for shares under the SPP close at **5pm WST on 9 December 2013**.

Yours faithfully

Peter Rutledge

Company Secretary



# Traka Resources Limited

ABN: 63 103 323 173

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20 November 2013

Dear Shareholder

## Invitation to Participate in Share Purchase Plan

I am pleased to invite you to participate in the Traka Resources Limited (**Traka**) Share Purchase Plan (**SPP**).

The SPP, which will raise up to \$750,000, provides each eligible shareholder of Traka with the opportunity to apply for up to \$15,000 in value of fully paid ordinary shares in Traka (**New Shares**) at an issue price of 6 cents each without having to incur brokerage or other transaction costs.

The SPP price of 6 cents per share represents a 19.0% discount to the volume weighted average trading price of the Company's shares in the five days on which sales in the Company's shares were recorded prior to the date of announcement of the SPP.

On 13 November 2013 the Company announced a placement (**Placement**) of 11.5 million shares at 6 cents each to professional and sophisticated investors. The Placement was concluded on 19 November, raising \$640,000 after costs. The SPP is priced at the same price.

## Shareholders Eligible to Participate in the SPP

Participation in the SPP is optional and is open to eligible securityholders, as defined in the attached SPP Document, being securityholders registered as holders of fully paid ordinary shares in the capital of Traka (**Shares**) at 5pm (WST) on the Record Date of **12 November 2013 (Eligible Securityholders)**.

## Proposed use of funds raised from the SPP

Traka will use the proceeds of the SPP for

- the continued exploration of its substantial project portfolio in the West Musgraves area of central Western Australia; and
- working capital

## SPP Document

Details of the SPP are set out in this letter and the enclosed SPP Document and accompanying Application Form.

## Subscription and Application Procedure

If you would like to participate in the SPP, please read the attached SPP Document and accompanying Application Form and follow the instructions set out therein.

## Closing Date for Applications

**The closing date for receipt of applications is 5pm WST (2pm WST if applications are by BPay) on Monday 9 December 2013. No late applications will be accepted.**

## Additional Information and Important Dates

The maximum investment per Eligible Securityholder is 250,000 New Shares, being an investment of \$15,000 at 6 cents per share, and the minimum investment per Eligible Securityholder is 16,666 New Shares, being an investment of \$1,000 at 6 cents per share.

The maximum investment any shareholder may make will remain \$15,000 even if a shareholder receives more than one Application Form (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). The Company will scale back all applications on a pro-rata basis if their aggregate value exceeds \$750,000. The Directors have indicated their intention to participate in the SPP, but, if a scale-back of applications is required, their applications will be scaled back entirely before other shareholders' applications are considered for scaling back.

The right to apply for New Shares under the SPP cannot be transferred and the Directors of the Company reserve the right to reject any application in excess of \$15,000. New Shares allotted under the SPP will be issued no later than 5 business days after the Closing Date of the SPP. Application for quotation on ASX of the New Shares will be made immediately following the issue of those shares.

The maximum number of New Shares that may be issued pursuant to the SPP is 12,500,000, which, taking into account the shares issued in relation to the Placement, would take the total Company shares on issue to 116,806,559.

If the Company rejects an application or purported application, the Company will promptly return to the security holder the relevant application monies, without interest.

On the last trading day immediately prior to the announcement of the SPP, the closing price of the Shares traded on ASX was 7 cents. The market price of the Shares in the Company may rise and fall between the date of the announcement of the SPP and the date that any New Shares are allotted to you as a result of your application. This means that the price which you pay for the New Shares under the SPP may exceed the market price of the Shares at the date of allotment. The Board recommends that you obtain your own financial advice in relation to the SPP and consider price movements of Shares in the Company prior to applying for New Shares under the SPP.

## Indicative Timetable

Record Date (5pm WST)	12 November 2013
Opening Date of SPP	25 November 2013
<b>Closing Date of SPP (5pm WST)</b>	<b>9 December 2013</b>
Issue of Shares under the SPP	13 December 2013
Despatch date for holding statements	16 December 2013
Quotation of Shares on ASX	16 December 2013

These dates are indicative only. The Company may vary the dates and times of the SPP without notice. Accordingly, shareholders are encouraged to submit their application for New Shares as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Share Registry on 1300 723 049 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours faithfully



**Neil Tomkinson**  
**Chairman**  
**Traka Resources Limited**

## **Share Purchase Plan (SPP)**

This SPP provides the opportunity for eligible securityholders of Traka Resources Limited (**Traka** or **the Company**) to apply for up to \$15,000 in value of fully paid ordinary shares in the Company (**New Shares**) at a price of 6 cents per share, without paying brokerage and/or transaction costs, on the terms and conditions set out below.

### **Purpose of the SPP**

Traka is seeking to raise up to \$750,000 from the SPP which will be capped at \$750,000.

The SPP provides eligible shareholders with the opportunity to acquire additional shares in Traka at the same issue price as applied to the 11.5 million shares issued in a placement made to professional and sophisticated investors on 19 November 2013 (**Placement**) to raise \$640,000 after costs.

Traka will use the proceeds of the Placement and the SPP for

- the continued exploration of its substantial project portfolio in the West Musgraves area of central Western Australia; and
- working capital.

### **Key dates**

Record Date (5 pm WST)	12 November 2013
Opening date of SPP	25 November 2013
<b>Closing date of SPP (5pm WST)</b>	<b>9 December 2013</b>
Allotment of shares	13 December 2013
Despatch date for holding statements	16 December 2013
Quotation of shares on ASX	16 December 2013

These dates are indicative and may be amended by Traka.

### **Who is an Eligible Securityholder?**

Only securityholders who held fully paid ordinary shares in Traka and were registered on the share register with an Australian or New Zealand address at 5pm Western Standard Time (WST) on 12 November 2013 (**the Record Date**) will be eligible to participate in the SPP (**Eligible Securityholders**), provided that the securityholder is not located in the United States of America (**US**), or a US Person (as defined in the US Securities Act), or acting for the account or benefit of a US person.

Due to foreign securities laws, it is not practical for securityholders resident in countries other than Australia or New Zealand to participate in the SPP.

To the extent that a securityholder with an Australian or New Zealand address may hold shares on behalf of another person resident outside Australia and New Zealand, it is that securityholder's responsibility to ensure that any participation in this SPP complies with all foreign laws.

Regardless of registration details, New Shares to be applied for under this SPP may not be offered, sold or otherwise transferred to securityholders located in the US or securityholders who are, or who are acting for, the account or benefit of US persons.

## **Participation is optional**

Participation in the SPP is optional. If you are uncertain about any aspect of the SPP, or about participating in the SPP, or how the participation will affect you, you should consider seeking independent financial and taxation advice before deciding whether or not to participate.

## **Rules for participation in the SPP**

The following rules apply to participation by Eligible Securityholders in the SPP:

### ***Certification***

When you apply for New Shares in the SPP, you are required in terms of ASIC Class Order CO 09/425 (section 8) to certify in the application that the total of the application price for the following does not exceed \$15,000:

- a) the number of New Shares the subject of the application, and
- b) any other New Shares applied for under the SPP or any Traka shares issued to you under a similar arrangement in the 12 months prior to your application, (Note: Traka has not conducted a similar arrangement in the past 12 months), and
- c) any other New Shares which you have instructed a custodian (as defined under ASIC Class Order CO 09/425) (**Custodian**) to acquire on your behalf under the SPP, and
- d) any other Traka shares issued to a Custodian in the 12 months prior to your application under an arrangement similar to the SPP as a result of your instruction to a Custodian and which resulted in your holding beneficial interests in those shares.

### ***Single holders of shares***

If you are a registered holder of Traka shares and you receive more than one Application Form under the SPP (due say to multiple registered holdings or joint holdings) you may only apply for up to \$15,000 of New Shares in total.

### ***Joint holders of shares***

If you are recorded with one or more persons as the joint holder of Traka shares, that joint holding is considered to be a single registered holding for the purpose of the SPP and a certification given by any one of the joint holders on application is taken to be a certification given by them all. Hence a joint holder who receives more than one Application Form, due to multiple registered holdings, including both sole and joint holdings, may only apply for a maximum of \$15,000 of New Shares in total.

### ***Custodians***

If you are a Custodian and hold Traka shares on behalf of one or more persons (each a **Participating Beneficiary**) or on behalf of a “downstream custodian” (as defined under ASIC Class Order CO 09/425) who holds the beneficial interest in Traka shares on behalf of a Participating Beneficiary, you may apply for up to a maximum of \$15,000 worth of New Shares for each Participating Beneficiary, subject to providing a notice in writing to Traka certifying the matters set out in section 9 of ASIC Class Order CO 09/425 (the **Custodian Certificate**).

Custodians should request a pro-forma Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate, and if you would like further information on how to apply, you should contact Traka’s share registry, Computershare Investor Services Pty Limited, on 1300 723 049 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.30pm WST Monday to Friday.

## **Price of New Shares**

The price of New Shares offered under the SPP has been determined by calculating a discount to the volume weighted average market price of Traka shares quoted on the Australian Securities Exchange (**ASX**) in the five days on which sales in the Company’s shares were recorded prior to 13 November 2013, the date of announcement of the SPP (**VWA**).

The SPP issue price of 6 cents per share represents a 19.0% discount to the VWA.

The closing market price of Traka's shares on the trading day immediately prior to the date of announcement of the SPP, was 7 cents per share.

### **Risk associated with participating in the SPP**

The market price of the Company's shares may rise and fall between the date of the announcement of the SPP and the date that any New Shares are allotted to you as a result of your application under the SPP. This means that the subscription price you pay for the New Shares may exceed the market price of the Company's shares at the date of allotment of the New Shares under this SPP. The Board recommends that you obtain your own financial advice in relation to the SPP and consider price movements of shares in the Company prior to applying for New Shares under the SPP.

### **Applying for New Shares under the SPP**

The SPP opens on 25 November 2013.

Applications may only be made for one of six defined parcels of New Shares that are set out in the enclosed Application Form – being \$1,000, \$2,500, \$5,000, \$7,500, \$10,000 and \$15,000. If the amount tendered is:

- a) less than \$1,000 - Traka will not allot any New Shares and will refund the application money to the applicant
- b) greater than \$15,000 - subject to scaleback, Traka will allot \$15,000 of New Shares at the SPP price, and will refund the excess application money to the applicant
- c) for an amount between \$1,000 and \$15,000 that is not the exact amount of one of the six defined parcels in the Application Form - subject to scaleback, Traka will allot the number of New Shares that would have been allotted had the application been for the defined parcel that is nearest to but less than the amount of the payment, and will refund the excess application money to the applicant.

Applications can be made in two ways:

- 1) Complete the enclosed Application Form and mail it together with your cheque, bank draft or money order drawn in Australian Dollars on an Australian bank and made payable to Traka Resources Limited – Share Offer to the Share Registry such that your application and payment are received **no later than 5pm WST on Monday 9 December 2013**; or
- 2) Make payment by BPay using either the internet or telephone banking and quoting the personalised customer reference number shown on the enclosed Application Form ensuring that your payment is made **no later than 2pm WST on Monday 9 December 2013** to allow the banking system to process the payment by 5pm. Be aware that some financial institutions may require an earlier cut off time for payments to be completed by the end of the business day in Western Australia.

When making payment by BPay, there is no requirement to submit the Application Form - the certifications and representations required to be made on application are taken to have been made simply by the payment being made using the personalised customer reference number.

Late applications will not be accepted

Receipts for payment will not be issued.

Cash is not an accepted form of payment.

Dishonoured cheques will not be re-presented and will result in the application not being accepted.

Eligible Securityholders may only apply for New Shares on the enclosed personalised Application Form. If the Application Form is incomplete, erroneous or otherwise defective, Traka may, at its sole discretion, accept, reject, correct or amend the application, issue the number of New Shares it so determines, refund the application money, or any combination of these actions.

No interest will be paid on any refunded money.

Any refund by Traka will be paid in Australian Dollars by cheque or such other payment method as

determined by Traka in its absolute discretion.

Notices and statements made by Traka to participants may be given in any manner prescribed by its Constitution.

### **Applications may be scaled back**

If Traka receives valid applications that total more than \$750,000 it will scale back applications on a pro rata basis. The Directors have indicated their intention to participate in the SPP, but, if a scale-back of applications is required, their applications will be scaled back entirely before other shareholders' applications are considered for scaling back.

In the event of a scale back applicants are likely to receive less than the parcel of New Shares for which they applied. If a scale back results in a fractional number of New Shares when applied to an applicant's parcel, the number of New Shares will be rounded down to the nearest whole number of New Shares.

In the event of a scale back, the difference between the application monies received and the number of New Shares allocated multiplied by the SPP price will be refunded to the applicants.

### **Calculation of the number of New Shares to be issued**

In the absence of a scale back and any of the circumstances arising from the section above headed Applying for New Shares under the SPP, the number of New Shares to be issued will be calculated by dividing the application money submitted by the SPP price per share with any resulting fractions being rounded down to the nearest whole number of New Shares

### **Issue of New Shares**

New Shares to be issued under the SPP are expected to be issued within 5 business days of the close of the SPP.

New Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in Traka from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all New Shares issued under the SPP.

The Company will, promptly after the issue of the New Shares under the SPP, make application for the New Shares to be listed for quotation on the official list of the ASX.

### **Additional Information**

The offer of New Shares under the SPP is made in accordance with the requirements of ASIC Class Order CO 09/425 which grants relief from the requirement to prepare a prospectus for the offer of Traka shares under the SPP.

The SPP is not underwritten.

Applications made under the SPP are non-renounceable (i.e. Eligible Securityholders may not transfer their rights to any New Shares under the SPP).

### **Modification and Termination of the SPP**

Traka may modify or terminate the SPP at any time. If the SPP is terminated before the issue of New Shares, all application monies will be refunded. No interest will be paid on amounts refunded.

Traka will notify the ASX of any modification to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of the ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Traka may issue to any person fewer New Shares than the person applied for under the SPP if the issue of the New Shares applied for would contravene any

applicable law or the Listing Rules of the ASX.

### **Dispute Resolution**

Traka may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or Traka shares. The decision of Traka in this respect will be conclusive and binding on all securityholders and other persons to whom that determination relates.

Traka reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Traka under these conditions may be exercised by the directors of Traka or any delegate of the directors of Traka.

### **Questions and Contact Details**

If you have any questions regarding the SPP or how to deal with the SPP, please contact your stockbroker or professional adviser or the company's share registry, Computershare Investor Services Pty Limited, on 1300 723 049 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.30pm WST Monday to Friday.