



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report for the three months ended 30 June 2014

Introduction

Traka Resources Ltd (ASX: TKL) is a Perth based exploration company with its exploration assets held in Western Australia (Figure 1).

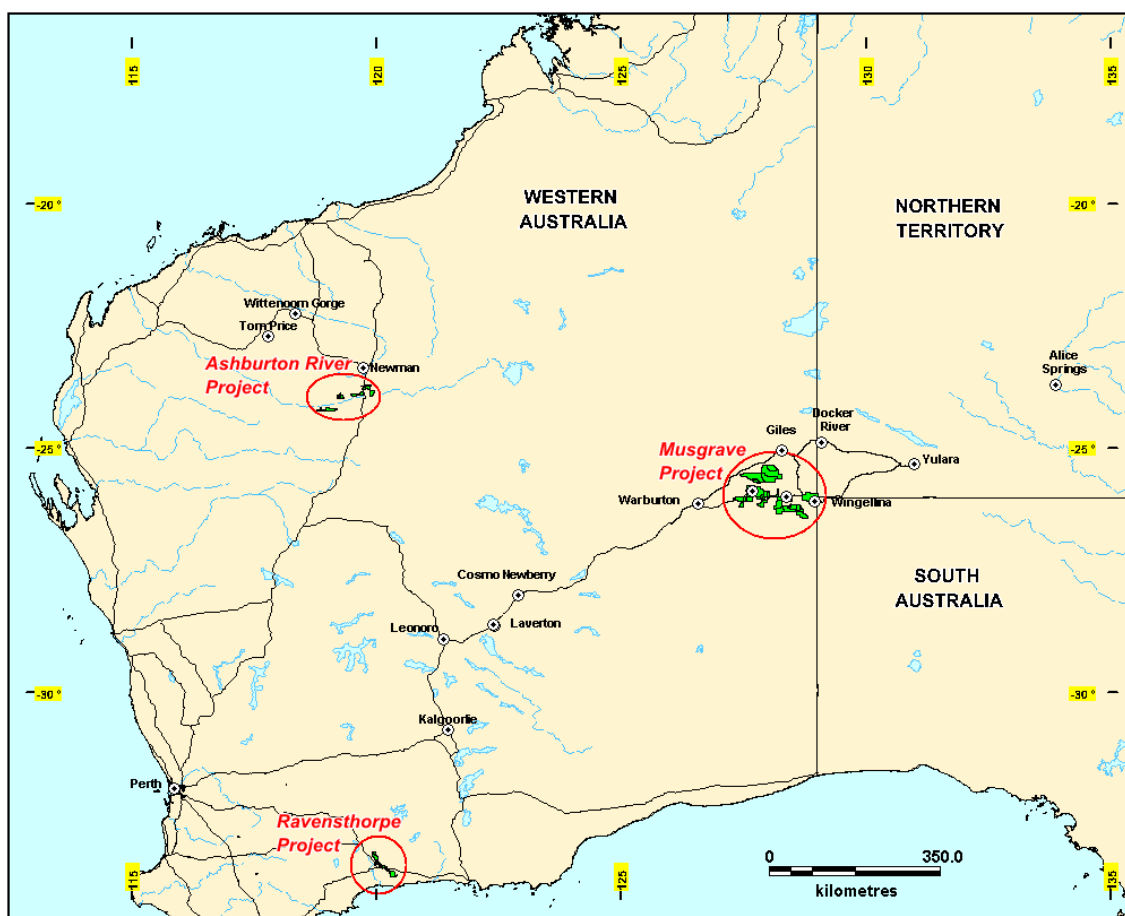


Figure 1: Location plan of Traka's Projects in Western Australia

The Musgrave Project

Traka's principal focus over recent years has been in the Musgraves region where it has established an extensive tenement holding comprising exploration licences and applications covering 9,900 square kilometres.

The Company has two joint ventures, each relating to portions of the holdings, one with Western Areas Ltd ("WSA") and the other with Anglo American Exploration (Australia) Pty Ltd ("AAE"). WSA and AAE manage their respective joint ventures and each can earn a majority equity position of between 70% and 80% by meeting expenditure commitments and free-carrying Traka's retained equity of between 20% and 30% through to completion of a Bankable Feasibility Study.

The Musgraves are highly prospective for copper and nickel mineralisation associated with the mafic and ultramafic sequences of Giles Intrusive complex which hosts some significant discoveries (Figure 2).

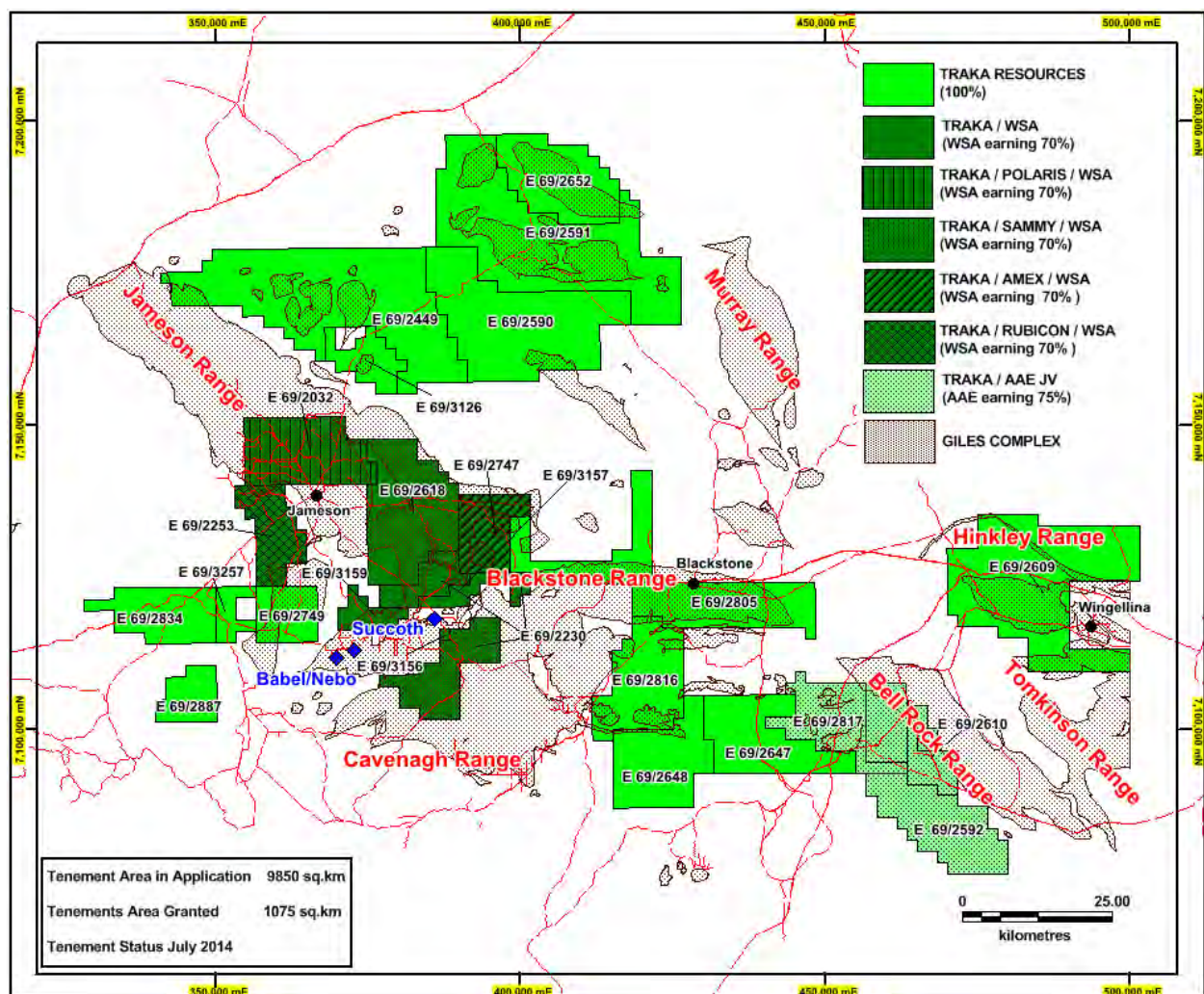


Figure 2: Musgrave Project tenement location plan

The Jameson area tenements comprise some tenements wholly owned by Traka and some in joint venture with WSA. They are adjacent to the tenements where the very significant copper and nickel resources of Babel and Nebo are situated and where a number of other more recent copper and nickel discoveries have been made (Figure 3).

Exploration work by Traka and WSA has outlined several zones of low grade disseminated mineralisation over broad width and great strike length within which higher grade cores of massive sulphide mineralisation can occur as low grade haloes which are characteristic of all the significant discoveries in the region. These high grade cores can be identified for drill testing by the application of modern ground electro-magnetic (“EM”) systems. While some of the disseminated zones have already been covered there is still considerable scope and work to be done to achieve systematic coverage and to seek further disseminated haloes throughout Traka’s large tenement portfolio.

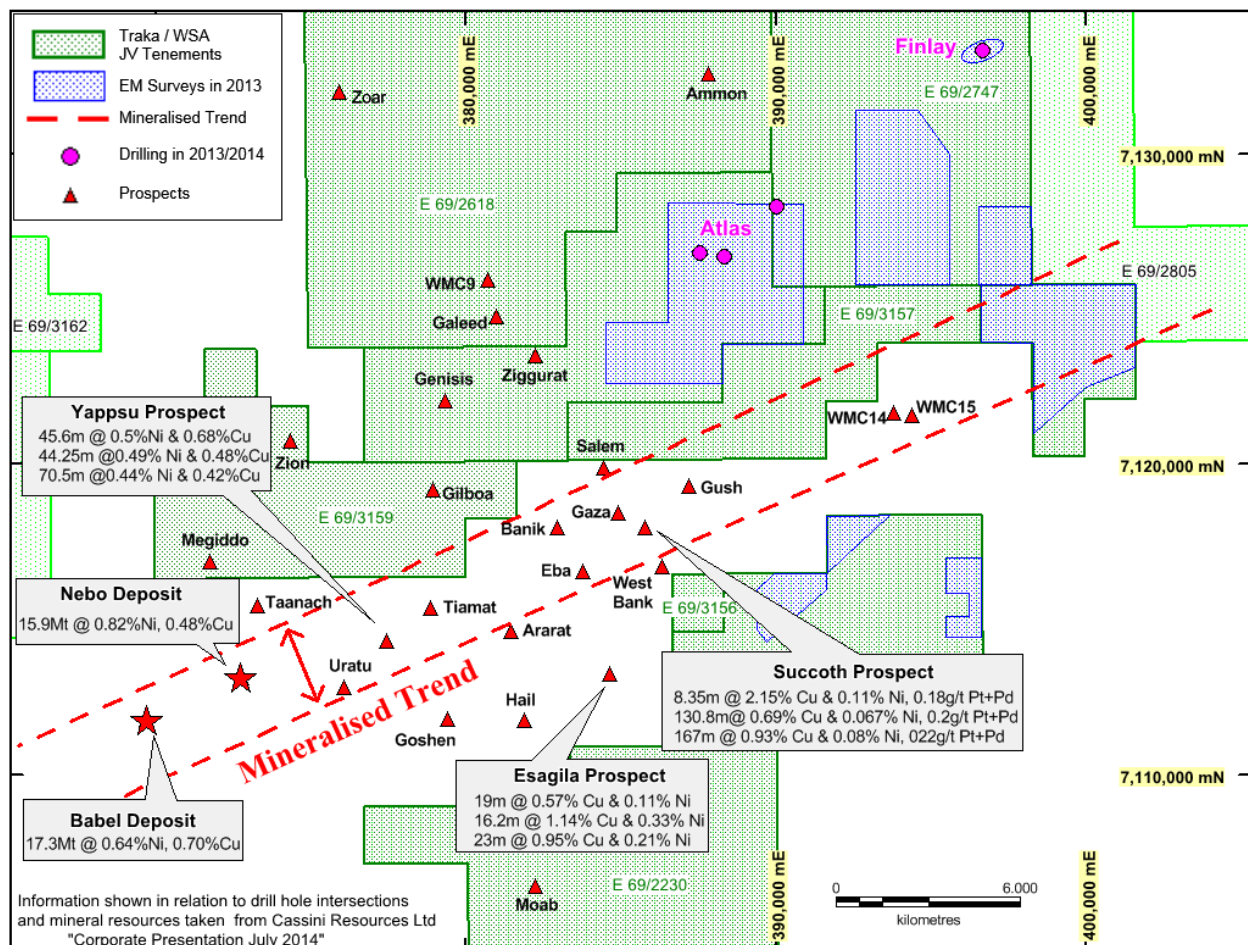


Figure 3: Tenement location plan in the Jameson area showing prospect locations and a selective number of drillhole intersections

Traka is continuing with access negotiations and permitting to expand its exploration activities into new areas currently held under application.

Western Areas Limited Joint Venture

WSA, as Manager of the joint venture, has provided the following comments in relation to their joint venture interest with Traka:

QUOTE:

During the quarter, and after the first full year of the JV, Western Areas successfully completed Phase 1 of the earn-in period by spending \$1.3M on exploration activities (Figure 4). By completing this

milestone, WSA has earned a 30% interest in Traka's portion of the project tenements, and has elected to continue on to Stage 2.

The recent work on the project tenure has indicated that there is potential for the area to host significant nickel and/or copper sulphide mineralisation. Large areas of the project tenure remain untested and these areas will be reviewed with the prime focus for the Company to locate higher grade massive sulphide mineralisation.

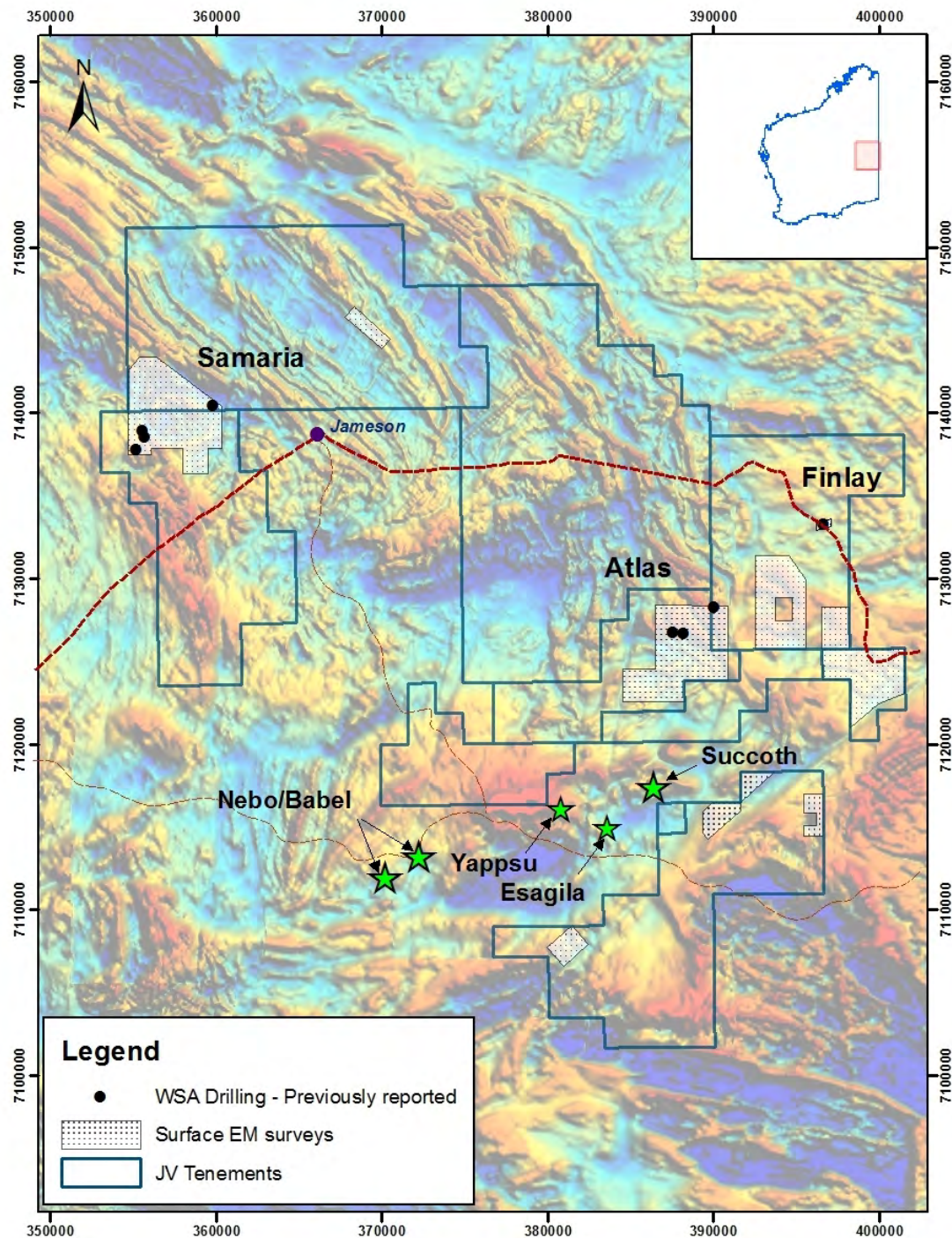


Figure 4: Musgrave Project tenure and Drill Hole Location Plan

END OF QUOTE.

Anglo American Exploration (Australia) Pty Ltd Joint Venture

AAE's remaining interests in the Musgraves are now concentrated in the south-eastern Latitude Hill area (Figure 2). A number of strong Spectrem EM targets have been identified in this area. Access and permitting to access these tenements is yet to be obtained.

The Ravensthorpe Project

Traka's interests in the Ravensthorpe Project are entirely farmed-out to Silver Lake Resources Limited, subject to the terms of 4 separate Option Agreements, each relating to a separate part of the Project. SLR have an initial 12 month Option Period after which time they may choose to retain an interest and/or return separate option areas subject to various terms (Figure 4).

There was no updated exploration information available from SLR for this joint venture at the time of writing this report.

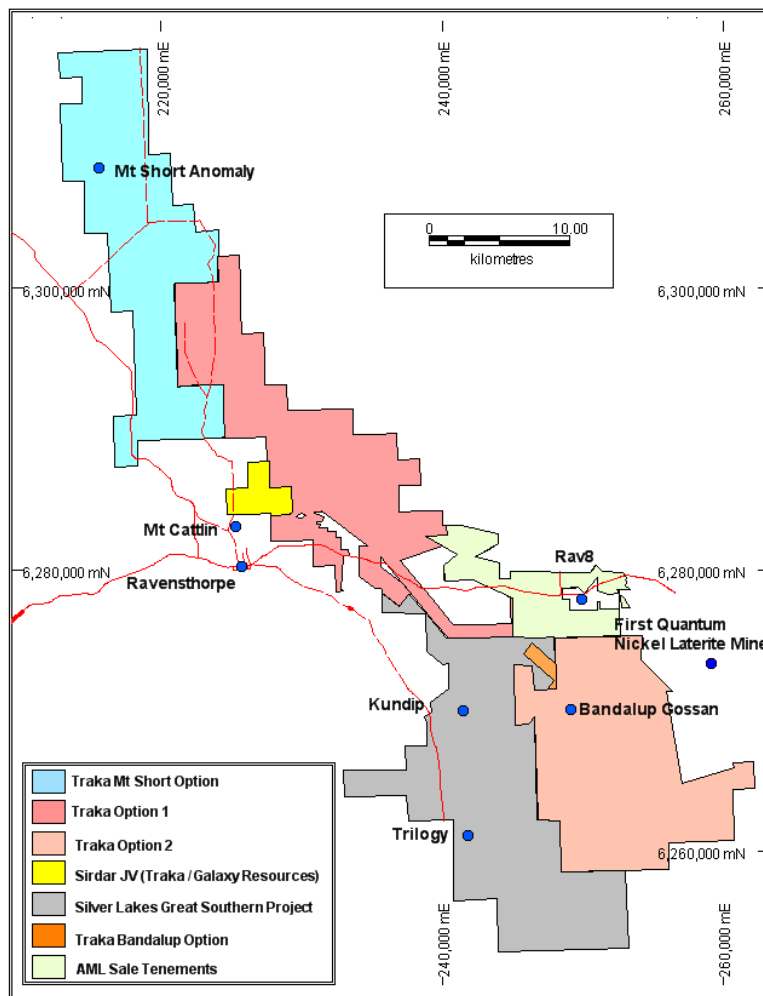


Figure 5: Location plan of the Ravensthorpe Project

Sirdar Joint Venture

(Galaxy 80%; Traka free carried)

No updated information is available for this joint venture.

New Project Development

The Company is maintaining considerable efforts to acquire additional projects in new areas. All of the Company's active interests are currently funded and managed by our joint venture partners. This shields Traka from expenditure commitments but also presents a good opportunity to acquire new projects in a period of depressed market conditions.

As part of this activity a small portfolio of tenements has been applied for within the headwaters area of the Ashburton River within the Bangemall Basin rocks (Ashburton River Project – Figure 6). There is a history of small scale copper mineralisation being found in this region but more recent larger discoveries such as at DeGrussa (11mt @ 4% Cu and 1.5g/t Au) and Thaduna (7.9mt @ 1.8% Cu and 3.7g/t Ag) in similar geological settings is cause for a re-assessment of the area.

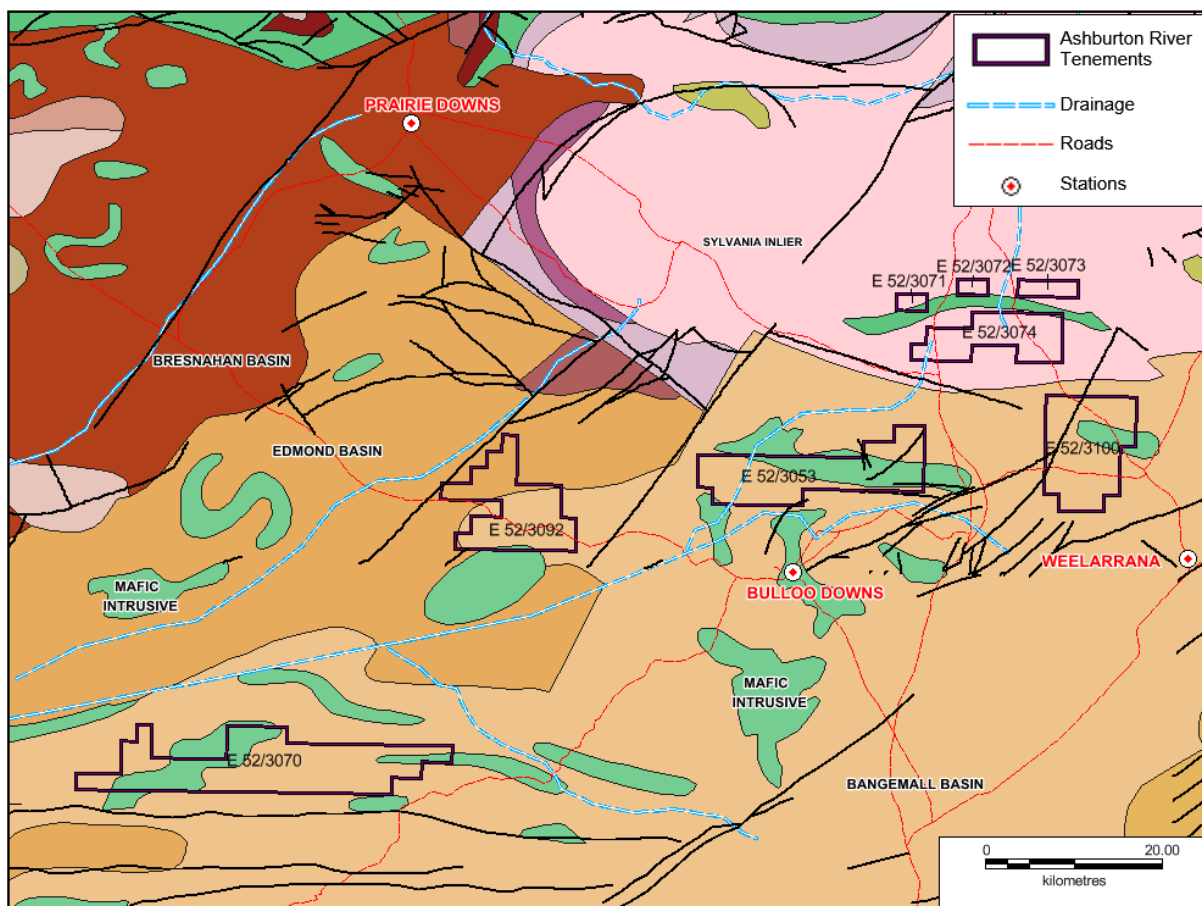


Figure 6: Location plan of the Ashburton River Project tenements

Patrick Verbeek
Managing Director

23 July 2014

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 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 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	(82)	(49)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(89)	(491)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) Receipt	-	313
	Payment	-	-
Net Operating Cash Flows		(170)	(220)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(2)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	(2)
1.13	Total operating and investing cash flows (carried forward)	(170)	(222)

+ 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)	(170)	(222)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,068
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	-	1,068
	Net increase (decrease) in cash held	(170)	846
1.20	Cash at beginning of quarter/year to date	1,063	47
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	893	893

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	
1.2 The YTD net cash outflows in respect of Exploration have been significantly offset by receipts of expenditure recovered from JV partners during earlier quarters	
1.7 Other Receipts YTD relate to option payments received.	
1.8 During Qtr 1 the Company paid \$250,000 to acquire an exploration tenement and the payment was recovered from a JV partner – resulting in no net cash outlay on investments YTD.	

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

+ 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

--

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	168
4.2 Development	-
4.3 Production	-
4.4 Administration	119
Total	287

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	43	1,063
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposit	850	-
5.5 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	893	1,063

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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	EA69/2452	Application withdrawn	0%	100%
	EA69/2608	Application withdrawn	0%	100%
	EA69/2873	Application withdrawn	0%	100%
	EA69/2874	Application withdrawn	0%	100%
	EA69/2875	Application withdrawn	0%	100%
	EA69/2900	Application withdrawn	0%	100%
	EA69/3047	Application withdrawn	0%	100%
	EA69/3161	Application withdrawn	0%	100%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	EA52/3052	Application	100%	0%
	EA52/3053	Application	100%	0%
	EA52/3070	Application	100%	0%
	EA52/3071	Application	100%	0%
	EA52/3072	Application	100%	0%
	EA52/3073	Application	100%	0%
	EA52/3074	Application	100%	0%
	EA52/3092	Application	100%	0%
	EA52/3100	Application	100%	0%

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	111,848,198	111,848,198		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	1,100,000 2,000,000 450,000		<i>Exercise price</i> 20.625 cents 8.75 cents 8.75 cents	<i>Expiry date</i> 15 November 2014 17 November 2016 17 November 2016
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: 23 July 2014

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 ending 30 June 2014

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

Tenement	Location	Registered Holding	Beneficial Interest
E69/2032	Musgrave, WA	90%	63%
E69/2230	Musgrave, WA	0%	63%
E69/2253	Musgrave, WA	0%	Note 1
EA 69/2449	Musgrave, WA	100%	100%
EA 69/2590	Musgrave, WA	100%	100%
EA 69/2591	Musgrave, WA	100%	100%
EA 69/2592	Musgrave, WA	100%	49%
EA 69/2609	Musgrave, WA	100%	100%
EA 69/2610	Musgrave, WA	100%	49%
E69/2618	Musgrave, WA	100%	70%
EA 69/2647	Musgrave, WA	100%	100%
EA 69/2648	Musgrave, WA	100%	100%
EA 69/2652	Musgrave, WA	100%	100%
E69/2747	Musgrave, WA	90%	63%
EA 69/2749	Musgrave, WA	100%	100%
EA 69/2805	Musgrave, WA	100%	100%
EA 69/2816	Musgrave, WA	100%	100%
EA 69/2817	Musgrave, WA	100%	49%
EA 69/2834	Musgrave, WA	100%	100%
EA 69/2887	Musgrave, WA	100%	100%
EA 69/3126	Musgrave, WA	100%	100%
EA 69/3156	Musgrave, WA	100%	70%
EA 69/3157	Musgrave, WA	100%	70%
EA 69/3159	Musgrave, WA	0%	30%
EA 69/3257	Musgrave, WA	100%	100%
E74/0332	Ravensthorpe, WA	100%	100%
E74/0378	Ravensthorpe, WA	100%	100%
E74/0379	Ravensthorpe, WA	100%	100%
E74/0401	Ravensthorpe, WA	20%	20%
E74/0448	Ravensthorpe, WA	100%	100%
E74/0489	Ravensthorpe, WA	100%	100%
E74/0522	Ravensthorpe, WA	100%	100%
M74/0083	Ravensthorpe, WA	100%	100%
P74/0262	Ravensthorpe, WA	100%	100%
P74/0263	Ravensthorpe, WA	100%	100%
P74/0264	Ravensthorpe, WA	100%	100%
P74/0265	Ravensthorpe, WA	100%	100%

TRAKA RESOURCES LIMITED
MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)
For the quarter ending 30 June 2014

Mining tenements and beneficial interests held at quarter end and their location (cont'd):

Tenement	Location	Registered Holding	Beneficial Interest
P74/0266	Ravensthorpe, WA	100%	100%
P74/0267	Ravensthorpe, WA	100%	100%
P74/0268	Ravensthorpe, WA	100%	100%
P74/0269	Ravensthorpe, WA	100%	100%
P74/0270	Ravensthorpe, WA	100%	100%
P74/0271	Ravensthorpe, WA	100%	100%
P74/0272	Ravensthorpe, WA	100%	100%
P74/0273	Ravensthorpe, WA	100%	100%
P74/0274	Ravensthorpe, WA	100%	100%
P74/0275	Ravensthorpe, WA	100%	100%
P74/0280	Ravensthorpe, WA	100%	100%
P74/0281	Ravensthorpe, WA	90%	90%
P74/0295	Ravensthorpe, WA	90%	90%
P74/0296	Ravensthorpe, WA	90%	90%
P74/0297	Ravensthorpe, WA	90%	90%
P74/0298	Ravensthorpe, WA	90%	90%
P74/0309	Ravensthorpe, WA	20%	20%
P74/0310	Ravensthorpe, WA	20%	20%

Note 1: Traka earning 70%-80%

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

Tenement	Location	Registered Holding	Beneficial Interest
EA 52/3052	Ashburton River	100%	100%
EA 52/3053	Ashburton River	100%	100%
EA 52/3070	Ashburton River	100%	100%
EA 52/3071	Ashburton River	100%	100%
EA 52/3072	Ashburton River	100%	100%
EA 52/3073	Ashburton River	100%	100%
EA 52/3074	Ashburton River	100%	100%
EA 52/3092	Ashburton River	100%	100%
EA 52/3100	Ashburton River	100%	100%

TRAKA RESOURCES LIMITED
MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)
For the quarter ending 30 June 2014

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

Tenement	Location	Registered Holding		Beneficial Interest	
		From	To	From	To
Applications withdrawn:					
EA 69/2452	Musgrave, WA	100%	0%	100%	0%
EA 69/2608	Musgrave, WA	100%	0%	100%	0%
EA 69/2873	Musgrave, WA	100%	0%	100%	0%
EA 69/2874	Musgrave, WA	100%	0%	100%	0%
EA 69/2875	Musgrave, WA	100%	0%	100%	0%
EA 69/2900	Musgrave, WA	100%	0%	100%	0%
EA 69/3047	Musgrave, WA	100%	0%	100%	0%
EA 69/3161	Musgrave, WA	100%	0%	100%	0%

Beneficial interests reduced:

E69/2032	Musgrave, WA	No change	100%	70%
E69/2230	Musgrave, WA	No change	100%	70%
E69/2747	Musgrave, WA	No change	100%	70%
E69/2618	Musgrave, WA	No change	100%	70%

Key:

E : Exploration licence
M: Mining licence
P: Prospecting licence
EA: Exploration licence application