



# TRAKA RESOURCES LIMITED

ABN 63 103 323 173

## Quarterly Activities Report for the three months ended 31 December 2020

### Summary

#### ***Mt Cattlin Gold Project***

- An RC and diamond drilling program, using a single dual-purpose drill rig, is underway to test the old Sirdar and Maori Queen Mines and other new exploration targets. The program is about 30% complete.
- At Maori Queen positive visual indicators and pXRF readings on RC drill hole samples are indicating continuation of the steep north-westerly dipping lode hosting the old mine. Further drilling is yet to be completed, but for the time being the rig is diamond drilling on the Sirdar Mine.
- Laboratory assay results for the drillhole samples will soon be received in batches matching the progress of drilling operations.
- A multi-element geochemical survey has commenced, and initial results are highlighting extension to known anomalies as well as new ones.
- Current drilling, geochemical sampling and geological mapping programs will continue into February.

#### ***Gorge Creek Project (Cu, Co, Pb, Zn and Ag)***

- Large stratabound Pb and Zn targets as well as Cu, Co, Pb and Zn Mississippi Valley Type (MVT) targets have been identified.
- Covid-19 travel restrictions and current monsoon wet season conditions have prevented access this year, but exploration activity is contemplated for start in May 2021.

#### ***Project Generation***

- The company remains active in identifying and bringing new projects into the company's portfolio.

## **Mt Cattlin Gold Project**

A drilling program comprising 5000 metres of RC (Reverse Circulation) and 500 metres of diamond core was commenced in early December <sup>(1)</sup>. Drilling is being undertaken by a dual-purpose drill rig capable of doing both components of the program. The current program is about 30% complete and will continue into February (Figure 1).

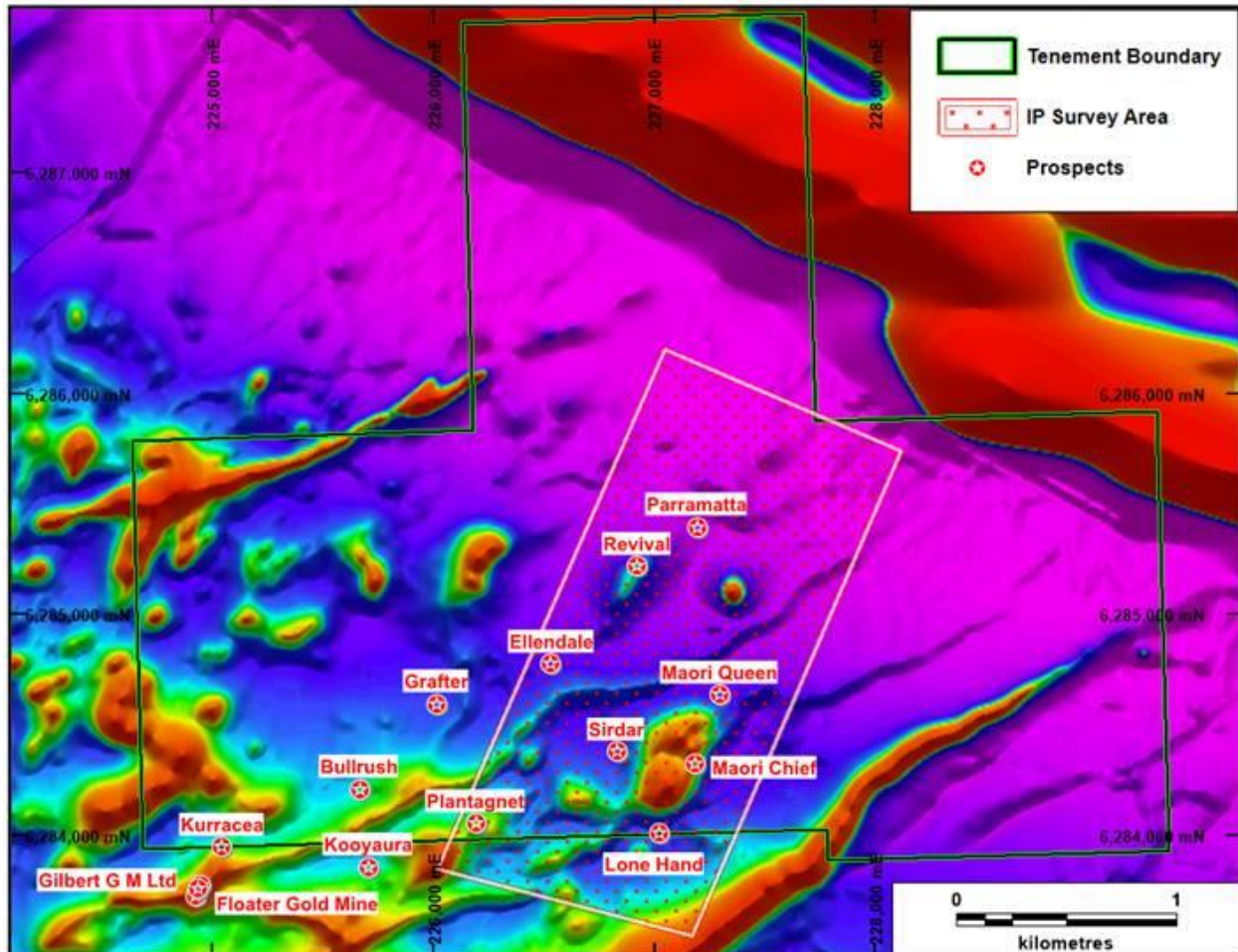


Figure 1. A location plan of the Mt Cattlin North Gold Project. The plan shows a recently acquired aeromagnetic image with the IP survey area and historic mine locations draped over the top. The red circular “bullseye” features are thought to be intrusives. The red linear north-east trending features are Proterozoic dykes and not considered to be prospective.

RC drilling was commenced at the old Maori Queen Mine and, although still to be completed, visual indicators and pXRF (Portable X-Ray Florescence) readings on the drill hole samples indicate down-dip and along strike continuation of the steeply north-west dipping lode that the old Maori Queen Mine was developed on. The Maori Queen Mine is a gold shoot at one end of 800-metre-long north-eastern trending shear zone extending to the Lone Hand prospect (Figure 2). More drilling on Maori Queen as well as on Lone hand and on targets in-between is still to be done.

The drill rig is currently tasked with doing the first ever diamond drill holes on the old Sirdar Mine site before switching back to the RC part of the program.

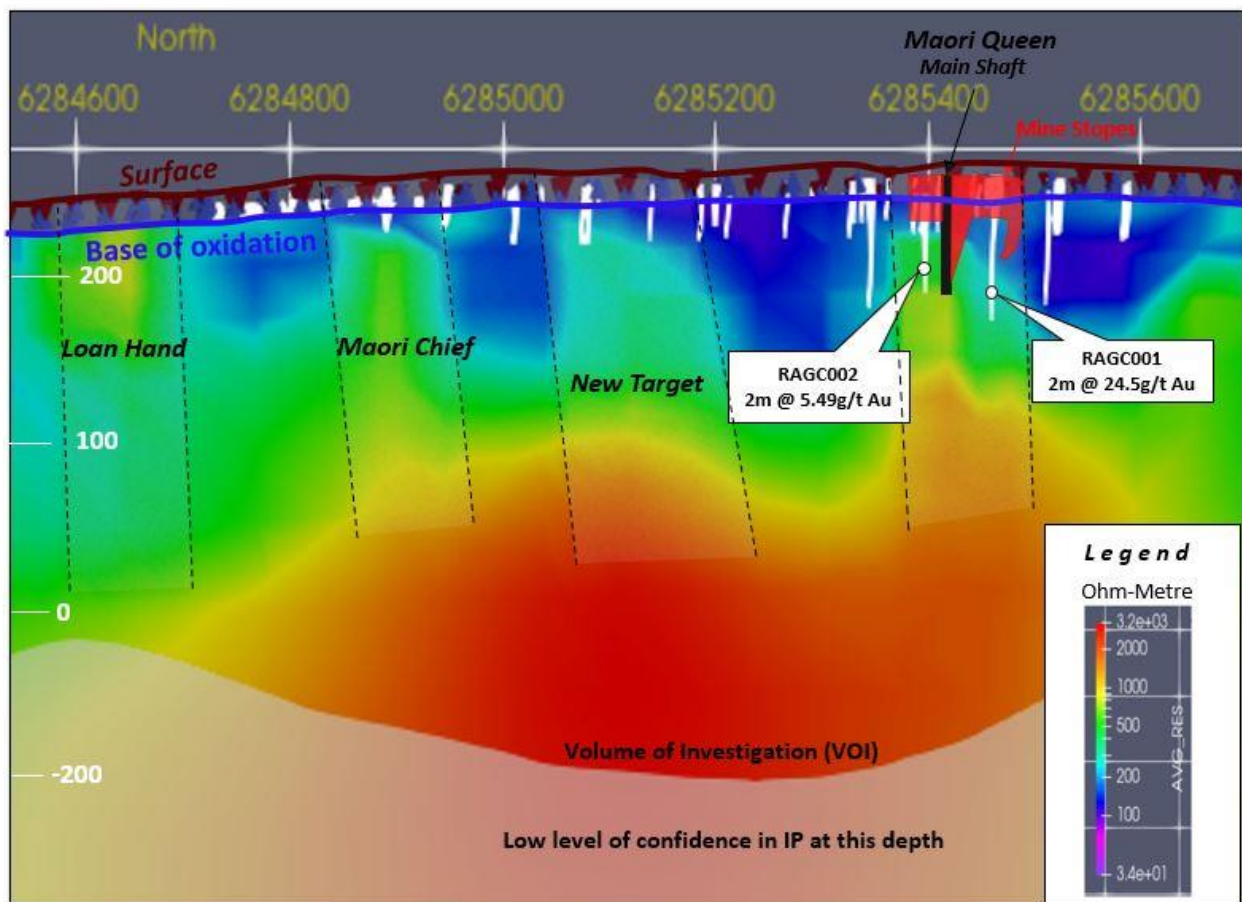


Figure 2. A 1 km long north-east trending long section showing the position of 4 Resistivity anomalies (chimney like green and yellow features) including the one associated with the Maori Queen Mine. The existing drilling (white lines) is projected onto the long-section. The intersection of Traka's 2 drill holes completed in 2003 (RAGC001 and RAGC002) is shown below the Maori Queen Mine workings.

At Sirdar, where there is old drilling in gold mineralisation to about 70 metres, there is an associated Chargeable geophysical zone extending several hundred metres depth in a north-west direction (Figure 3) (2). This target is currently being diamond drilled ahead of undertaking more RC.

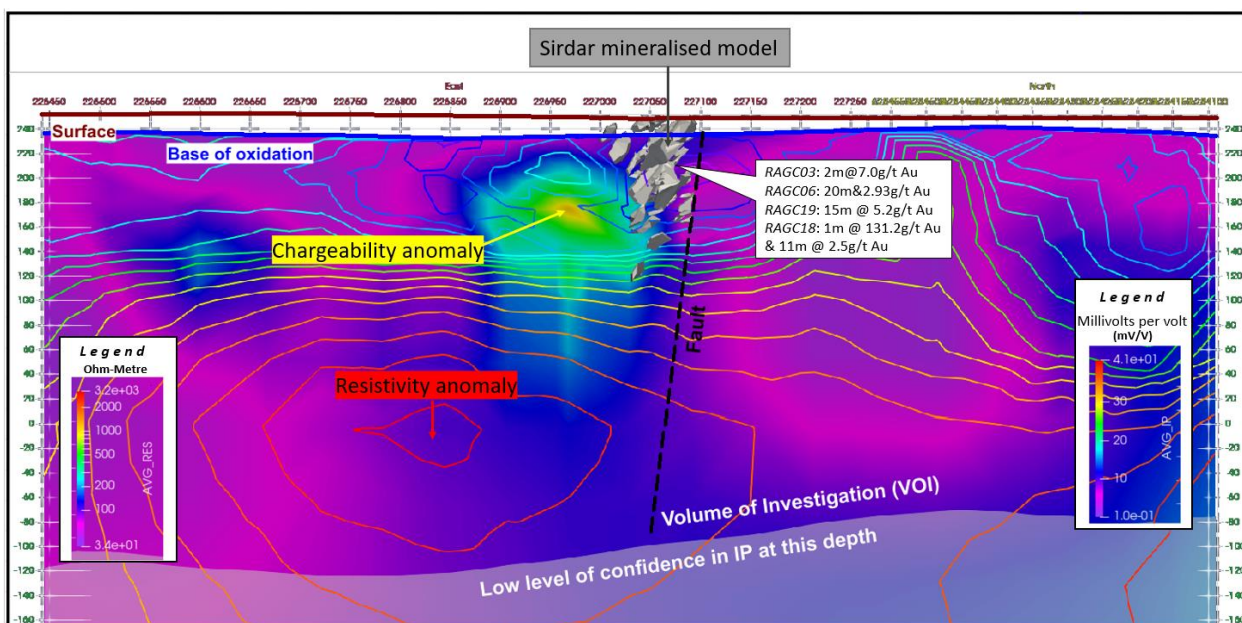


Figure 3. A northwest cross-section through the Sirdar mineralised model (Grey colour > 0.3 g/t gold grade) showing an image of the associated Chargeability anomaly.



Other Chargeability and Resistivity anomalies have been highlighted near the old Ellendale, Lone Hand, Plantagenet, Revival, Parramatta Mines as well as north of Maori Queen. There is historic drilling on the periphery of some of these targets, but where present the holes were shallow and an inadequate test of these anomalies (Figure 4).

Historic soil geochemical sampling surveys over the old mines have not always been definitive, have missed targets altogether or are poorly orientated. A high-density multi-element geochemical survey is now underway to provide clarity. The initial part of the new geochemical survey has covered the area east of the Revival and Parramatta targets. Soil geochemical anomalism of the pathfinder elements associated with gold at Mt Cattlin (arsenic, chrome, copper, zinc, lead and nickel) are observed to be coincident with the newly identified zones of resistivity and the interpreted positions of underlying intrusives (Figure 5). The pathfinder sample values are determined using pXRF analysis and the gold association with these anomalies determined using very accurate Ultra Fine gold laboratory analysis.

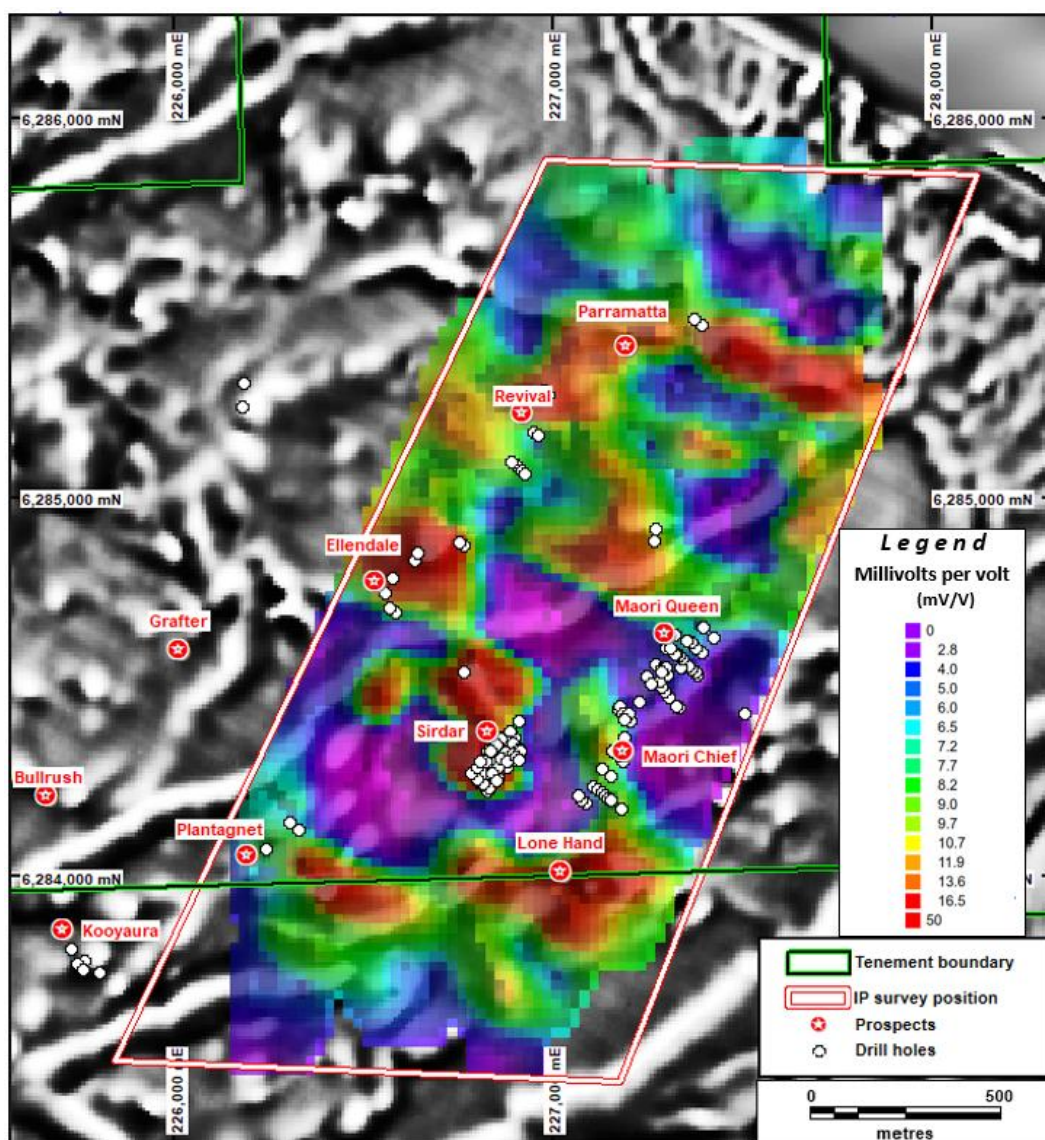


Figure 4. A 100m depth slice image of Chargeability draped over a greyscale aeromagnetics image. The worm like white features in the aeromagnetics are strong magnetic responses from Proterozoic Dykes, which are not generally mineralised. Note the red coloured, north-east trending Chargeability anomaly extending from historic drilling (white dots) on Sirdar. The red coloured Chargeability anomalies in other positions are readily evident.

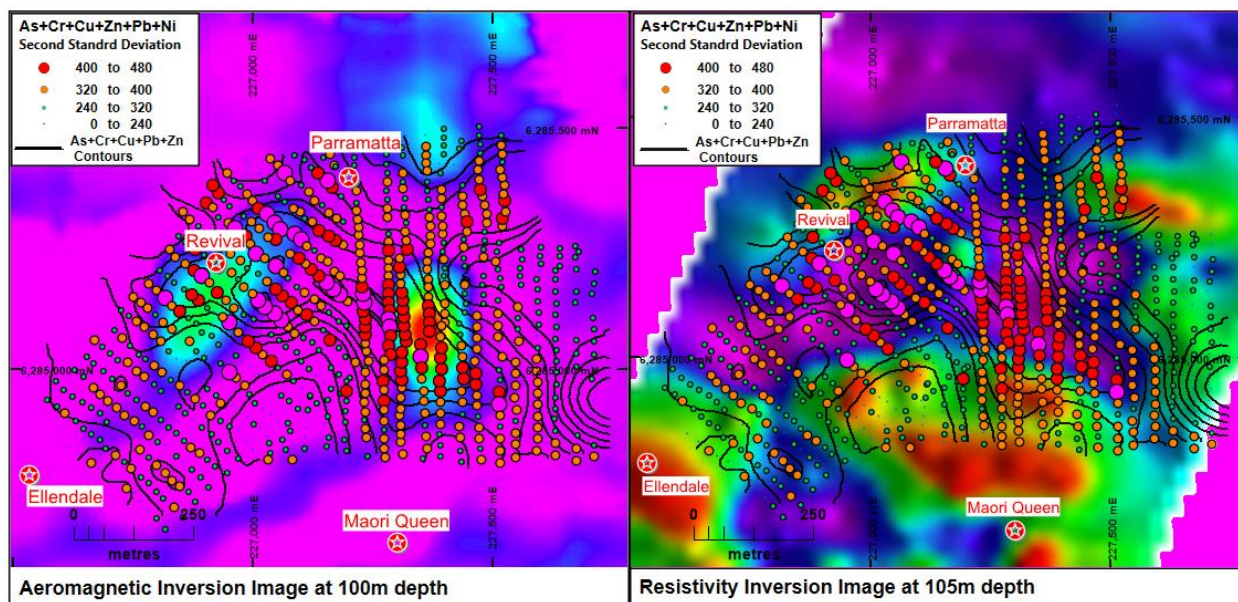


Figure 5. On the left at 100m depth an aeromagnetic image showing the position of intrusives (green to red colours), soil sample locations and geochemical anomalism trend shown as contours. On the right the same area showing a Resistivity image at 105m depth and geochemical anomalism associated with an east-west low resistivity trend (purple colour).

The current program of work comprising drilling, geochemical surveys and geological mapping will continue through to February.

*The Mt Cattlin Gold Project has a long history of gold mining with turn-of-the-century prospector-scale activity on 18 separate mines (Reported production of 23,006 tonnes @ 24.56 g/t Au). Exploration for gold has been inactive for decades since Traka last explored in 2004 following work by Metana Minerals NL and a few other parties in the 1980s and 1990s. The Mt Cattlin Gold Project represents an excellent opportunity for the discovery of gold resources at a time when gold prices are more than 4 times higher than existed when Traka last explored this project area. There are several large, mineralised shear zones with known high-grade gold shoots within them as well as stockwork quartz-veined intrusive related gold in several positions.*

### **Gorge Creek Project**

Access to the project earlier in the year was denied because of Covid-19 travel restrictions and more recently on account of the commencement of the wet season. Exploration programs are planned for recommencement in this year's field season.

### **Musgrave Project**

There has been no reportable activity on this project this quarter.

### **New Project Development**

Whilst the Company is occupied with its existing projects, ongoing efforts continue to be made to identify other opportunities to expand the company's exploration portfolio.

## **Payments to Related Parties**

(as reported in Section 6 of the Appendix 5B Quarterly Cash Flow Report)

The \$64,000 cash outflow for the quarter reported under Section 6.1 of the Appendix 5B Quarterly Cash Flow Report relates to:

	\$000
Remuneration of Managing Director	55
Director fees paid to non-executive directors	6
Rent of storage space paid to company associated with a director	3

By authority of the Board

Patrick Verbeek  
**Managing Director**

21 January 2021

(1) Traka ASX Announcement 2 December 2020

(2) Traka ASX Announcement 13 October 2020

## COMPLIANCE STATEMENT RELATING TO TRAKA'S PROJECTS

*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 or oil and gas exploration entity quarterly cash flow report

Name of entity

Traka Resources Limited

ABN

63 103 323 173

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(265)	(365)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(26)	(56)
	(e) administration and corporate costs	(67)	(143)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	4	21
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(352)</b>	<b>(544)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(3)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,240
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(20)	(109)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(20)</b>	<b>2,131</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,079	120
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(352)	(544)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(20)	2,131



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,704</b>	<b>1,704</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	453	1,279
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Term Deposits	1,251	800
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,704</b>	<b>2,079</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	64
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(352)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(352)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,704
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,704
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 January 2021 .....

Authorised by: The Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

**TRAKA RESOURCES LIMITED**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
**For the quarter ended 31 December 2020**

Type	Tenement	Location	Registered Holding	Beneficial Interest
EA	69/2749	Musgrave, WA	0%	Note 1
E	69/3156	Musgrave, WA	0%	Note 1
E	69/3157	Musgrave, WA	0%	Note 1
EA	69/3490	Musgrave, WA	0%	Note 1
EA	69/3569	Musgrave, WA	0%	Note 1
P	74/0370	Ravensthorpe, WA	0%	Note 2
P	74/0373	Ravensthorpe, WA	0%	Note 2
E	74/0401	Ravensthorpe, WA	0%	Note 2
E	74/0636	Ravensthorpe, WA	0%	20%
EPM	26264	Gorge Creek, QLD	100%	100%
EPM	26723	Gorge Creek, QLD	100%	100%

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

None

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

None

Note 1: the Company retains a 2% net smelter return royalty on all minerals produced from these tenements.

Note 2: the Company holds a 100% interest in the gold and other minerals excluding pegmatite minerals.

**Key:**

E: Exploration licence

EA: Exploration licence application

P: Prospecting licence

EPM: Exploration permit mineral