



# Traka Resources Limited

ABN: 63 103 323 173

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24 October 2022

Dear Shareholder

## **Annual General Meeting**

The 2022 Annual General Meeting of Traka Resources Limited (the Company) will be held at the Country Women's Association of WA, Level 2, 1176 Hay Street, West Perth on Friday 25 November 2022 commencing at 2:30pm.

## **Notice of Meeting and Proxies**

In accordance with section 110D(1) of the Corporation Act 2001 (Cth), the Company will not be sending hard copies of the Notice of Meeting to shareholders unless they have previously given notice in writing to the Company electing to receive notices of meeting in hard copy only or made an election for the purposes of section 110E of the Corporations Act to receive documents from the Company in physical form.

The Notice of Meeting and Explanatory Statement will be made available to shareholders electronically and can be viewed and downloaded from:

- a) the Company's website under Investor Centre at [www.trakaresources.com.au](http://www.trakaresources.com.au)
- b) the Company's ASX market announcements page (ASX code: TKL)

The Company strongly encourages shareholders to lodge a directed proxy form prior to the meeting. The proxy may be lodged using any of the methods as outlined in the enclosed sample proxy form.

Your proxy voting instructions must be received by no later than 48 hours before the meeting, being 2:30pm (WST) on 23 November 2022.

If you have any difficulties accessing the Notice of Meeting and Explanatory Statement online, please contact the Company's share registry, Computershare Investor Services Pty Ltd on 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Yours Sincerely

Ira Gibbs  
Company Secretary

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## **TRAKA RESOURCES LIMITED**

**ACN 103 323 173**

### **NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 2.30pm (WST)

**DATE:** Friday 25 November 2022

**PLACE:** Country Women's Association of WA  
Level 2, 1176 Hay Street, West Perth,  
Western Australia 6005

***This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary (+61 8) 9322 1655.***

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## IMPORTANT INFORMATION

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### COVID-19

The Company is following the health advice of the Australian and West Australian Governments. Shareholders are encouraged to monitor the Company's ASX announcements and website for any updates in relation to arrangements for the Meeting.

### YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

### VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 23 November 2022.

### VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

### VOTING BY PROXY

If you do not wish, or are unable, to attend the Meeting, you may appoint a proxy to attend and vote on your behalf. A body corporate may also appoint a proxy. A proxy need not be a Shareholder.

To vote by proxy, please complete and sign the enclosed Proxy Form and return (with any power of attorney or other authority pursuant to which the proxy has been signed) by any of the following means:

- By mail: Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne, VIC 3001
- By fax: 1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia

Proxy Forms must be received by no later than 48 hours before the Meeting, being 2.30pm (WST) on 23 November 2022.

You are entitled to appoint up to 2 proxies to attend the meeting and vote on your behalf and may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not specify the proportion or number of votes that each proxy is entitled to exercise, each proxy may exercise half of the votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.

### VOTING BY POLL

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

Shareholders who wish to vote by appointing a proxy are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions are set out in the Proxy Form attached to the Notice of Meeting.

### VOTING EXCLUSIONS

In accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast on certain resolutions by certain persons who are prohibited from voting on those resolutions. Details of any voting exclusions applicable to a specific resolution are set out in this Notice.

### CORPORATE REPRESENTATIVES

Shareholders who are a body corporate may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority must be sent to the Company and/or registry in advance of the Meeting.

An appointment of corporate representative form is available from the website of the Company's share registry ([www.investorcentre.com](http://www.investorcentre.com) under the Help tab, "Printable Forms").

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Traka Resources Limited will be held at Country Women's Association of WA, Level 2, 1176 Hay Street, West Perth, Western Australia on **Friday 25 November 2022 at 2.30pm (WST)**.

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

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### AGENDA

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#### ORDINARY BUSINESS

##### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

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##### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."*

*Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.*

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or
- (b) the voter is the Chair and the appointment of the Chair as a proxy does not specify the way the proxy is to vote on this resolution and expressly authorises the Chair to exercise the proxy even if this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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##### 3. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR GEORGE PETERSONS

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr George Petersons, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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##### 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 66,666,667 Shares to institutional, sophisticated and professional investors on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person that participated in the issue or any of their associates. However, the Company will not disregard a vote if it is cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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5. **RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY**

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue Equity Securities provided for under Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

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6. **RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO THE MANAGING DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and Listing Rule 10.11 of the Listing Rules of the ASX and for all other purposes, Shareholders approve and authorise the issue at no cost of 2,000,000 options to the Managing Director, Mr Patrick Verbeek (or his permitted nominee), to acquire fully paid ordinary shares in the capital of Traka Resources Limited on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Verbeek and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of Mr Verbeek and those other persons. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**DATED: 6 OCTOBER 2022**

**BY ORDER OF THE BOARD**



**IRA GIBBS  
COMPANY SECRETARY  
TRAKA RESOURCES LIMITED**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Country Women's Association of WA, Level 2, 1176 Hay Street, West Perth, Western Australia on Friday 25 November 2022 commencing at 2.30am (WST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting. It should be read in conjunction with the Notice of Meeting.

For those Shareholders who have not elected to receive a hard copy of the Annual Report, it can be accessed on the Company's website at [www.trakaresources.com.au](http://www.trakaresources.com.au).

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### 1. FINANCIAL STATEMENTS AND REPORTS

The annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report are presented for consideration at the Meeting.

The Chair will allow a reasonable time for shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit, and the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit. There is no requirement for shareholders to approve these reports.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2022. A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

#### 2.2 Voting consequences

Under the Corporations Act if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report, then a further resolution (**Spill Resolution**) may be required to be considered at the second annual general meeting as to whether a further meeting be convened to put certain Directors to re-election. The Directors to be put to re-election are those Directors, other than the Managing Director, who were Directors when the resolution to make the directors report was passed.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution will not be relevant for this Annual General Meeting.

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### 3. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR GEORGE PETERSONS

#### 3.1 General

Clause 14.2 of the Constitution requires that, at the Company's annual general meeting in every year, one-third of the Directors for the time being shall retire from office, provided always that no Director, other than alternate directors and the Managing Director, shall hold office for a period in excess of 3 years, or until the third annual general meeting following his appointment, whichever is the longer, without submitting himself for re-election.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election. Accordingly, Mr George Petersons, who was last re-appointed by Shareholders at the Annual General Meeting held on 26 November 2020, retires in accordance with the Constitution and, being eligible for re-election, offers himself for re-election at the Annual General Meeting.

### 3.2 Qualifications and other material directorships

Mr Petersons has been a Director of the Company since its formation.

Details of the qualifications and material directorships of Mr Petersons are set out in the 2022 Annual Report for the Company.

### 3.3 Independence

Mr Petersons is considered an independent Director of the Company.

### 3.4 Board recommendation

The Board supports the election of Mr Petersons and recommends that Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

### 4.1 Background

As announced to the ASX on 13 February 2022, the Company issued, on 17 February 2022, 66,666,667 Shares at an issue price of \$0.012 per share (**Placement Shares**) to raise a total of \$800,000 (before costs) (**Placement**). The Shares were issued to institutional, sophisticated and professional investors under the Company's placement capacity afforded under ASX Listing Rule 7.1.

### 4.2 ASX Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 provides that a company may, without shareholder approval, issue or agree to issue that number of Equity Securities that total up to 15% of the number of fully paid, ordinary securities on issue 12 months before the issue or agreement to issue plus the number of fully paid ordinary securities issued by the company in that 12 month period with shareholder approval or under an exception to ASX Listing Rule 7.1.

The issue of the Placement Shares does not fit within any of the exceptions to ASX Listing Rule 7.1 and has reduced the Company's 15% placement capacity under ASX Listing Rule 7.1 for a period of 12 months from the issue date of those Placement Shares.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities that has reduced the listed company's 15% placement capacity under ASX Listing Rule 7.1. If Shareholders approve the issue under ASX Listing Rule 7.4, the issue is taken to have been approved under ASX Listing Rule 7.1 and ceases to reduce the Company's 15% placement capacity under that rule.

To this end, Resolution 3 seeks Shareholder approval under ASX Listing Rule 7.4 for the 66,666,667 Placement Shares issued under the Company's 15% placement capacity.

If Resolution 3 is passed, the Placement Shares will no longer reduce the Company's 15% placement capacity under ASX Listing Rule 7.1. In addition, the Placement Shares will be counted in Variable A under ASX Listing Rule 7.1, which is the base number of Shares on which the 15% and 10% placement capacities under ASX Listing Rules 7.1 and 7.1A, are based. This will effectively increase the number of Equity Securities that can be issued without Shareholder approval under the 15% and 10% placement capacities under those rules.

If Resolution 3 is not passed, the Placement Shares will continue to reduce the Company's 15% limit in ASX Listing Rule 7.1 until 12 months after the issue date of those Placement Shares unless subsequently approved by Shareholders before that date. In addition, the Placement Shares will not be counted in Variable A until 12 months after their issue date unless subsequently approved by Shareholders before that date.

### 4.3 Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4 and the following information is included in this Explanatory Statement for this purpose:

- (a) the Shares were issued to institutional, sophisticated and professional investors the majority of whom were introduced by 180Markets. None of the subscribers were related parties of the Company or their associates, and no members of the Key Management Personnel, Substantial Holders, advisors to the Company or their associates were individually issued Shares totalling more than 1% of the Company's Shares on issue at the date of this Notice;
- (b) all of the Shares issued were fully paid ordinary shares which were on the same terms and ranked equally with all other existing Shares from their date of issue;

- (c) a total of 66,666,667 Shares were issued on 17 February 2022;
- (d) the Shares were issued for cash consideration of \$0.012 per Share;
- (e) the purpose of the issue of the Shares was to raise additional funds for the Company, with the funds being used, and to be used, towards exploration, including further drilling of the Mt Cattlin Gold-Copper Project and generation and initial-phase exploration of new projects, as well as general working capital for administration;
- (f) a voting exclusion statement is included in this Notice.

#### 4.4 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 3.

### 5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

#### 5.1 General

ASX Listing Rule 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in ASX Listing Rule 7.1 (**10% Placement Facility**).

An eligible entity is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis). The Company is an eligible entity.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company has one class of quoted equity securities on issue, being ordinary shares (ASX Code: TKL).

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue quoted Equity Securities under the 10% Placement Facility available under ASX Listing Rule 7.1A. The maximum number of quoted Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue quoted Equity Securities without Shareholder approval available under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing (or agreeing to issue) Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

#### 5.2 Description of Listing Rule 7.1A and information required by Listing Rule 7.3A

##### (a) 10% Placement Period

If Shareholders approve Resolution 4, the Company's ability to issue quoted Equity Securities under the 10% Placement Facility will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.1 or 11.2,

(the **10% Placement Period**).



(b) **Minimum Issue Price**

The issue price of quoted Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average market price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) **Purpose of Funds Raised**

Funds raised from the issue of quoted Equity Securities under the 10% Placement Facility are intended to be used towards advancing existing assets and investments, the acquisition and development of new assets and investments, and general working capital including corporate and administration costs.

(d) **Economic and Voting Dilution Risk**

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100% and the voting dilution impact of such an increase. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlement issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0035 (50% decrease in current issue price)	\$0.007 (Current issue price)	\$0.014 (100% increase in current issue price)
688,774,561 (Current Variable A)	Shares issued @ 10% voting dilution	68,877,456	68,877,456	68,877,456
	Funds raised	\$241,071	\$482,142	\$964,284
1,033,161,842 (50% increase in Variable A)	Shares issued @ 10% voting dilution	103,316,184	103,316,184	103,316,184
	Funds raised	\$361,607	\$723,213	\$1,446,427
1,377,549,122 (100% increase in Variable A)	Shares issued @ 10% voting dilution	137,754,912	137,754,912	137,754,912
	Funds raised	\$482,142	\$964,284	\$1,928,569

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options or Performance Rights (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused by their own shareholding depending on the specific circumstances.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The current issue price is \$0.007 being the closing price of the Shares on the ASX on 6 October 2022.
- (viii) The Company will only issue the Equity Securities during the 10% Placement Period.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors set out in the Company's allocation policy, including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Substantial Holders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) **Use of 10% Placement Facility in prior 12 months**

The Company has not utilised the 10% Placement Facility approved by shareholders at the last AGM held on 30 November 2021.

(g) **Voting Exclusion**

A voting exclusion statement is not included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## **6. RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO THE MANAGING DIRECTOR**

### **6.1 Background**

This resolution seeks approval to issue 2,000,000 options to Mr Patrick Verbeek, the Company's Managing Director, as an incentive. The options are exercisable within 3 years of their issue at an exercise price that will be set at a 25% premium to the volume weighted average market price (as defined in the ASX Listing Rules and hereinafter referred to as VWAP) of the Company's shares, calculated over the last five days on which the Company's shares have traded on the ASX up to and including the day prior to the date of the Meeting. The Company will announce the VWAP, so calculated, prior to the commencement of the Meeting. These options are not linked to the Company's performance.

The broad remuneration policy of the Company, as set out in the Remuneration Report which forms part of the Directors' Report in the Company's 2022 Annual Report, is to ensure that the remuneration package of key management personnel reflects their duties and responsibilities and is competitive in attracting, retaining and motivating people of the highest quality.

The non-executive directors, being all the directors other than Mr Verbeek, have reviewed Mr Verbeek's remuneration package and recommend the issue of these options to Mr Verbeek based on the following considerations:

- (a) the services provided by Mr Verbeek to the Company over the nineteen years since its listing;
- (b) the importance of providing an option-based incentive to Mr Verbeek for a continuing high level of service in future;
- (c) Mr Verbeek's overall level of remuneration for the previous financial year, as set out in the Remuneration Report in the Company's 2022 Annual Report and summarised in 6.3 below;
- (d) the general level of remuneration of other executives with similar roles to Mr Verbeek in the mineral exploration industry.

### **6.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 prohibits an entity, subject to a number of exceptions, from issuing, or agreeing to issue, equity securities to a related party without the approval of its ordinary shareholders. Mr Verbeek is a director and hence a related party of the Company to Listing Rule 10.11.1. The proposed issue of options does not fit within any of the exceptions in Listing Rules 10.12 and as such shareholder approval is required.

If Resolution 5 is passed, the Company will issue the proposed options to Mr Verbeek on the Terms and Conditions as noted in 6.3 below. The effect on Mr Verbeek's total remuneration package, his relevant interest in the securities of the Company and the effect of the issue on existing shareholders, are detailed in 6.3 below.

If Resolution 5 is not passed, no options will be issued to Mr Verbeek, with no effect on his total remuneration package, his relevant interest in the securities of the Company or on existing shareholders.

### **6.3 Chapter 2E of the Corporations Act – Related Party Transaction**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Verbeek, being a director of the Company, is a related party of the Company and the issue of the options does not fall within one of the nominated exceptions to the provision.

In accordance with Section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed issue of options to Mr Verbeek.

#### **Terms and Conditions of the options**

The proposed terms and conditions of the options are as follows:

- (a) Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of Traka Resources Limited;
- (b) Issue Price: Each option is issued for nil consideration;
- (c) Exercise Price: The Exercise Price is the VWAP multiplied by 1.25, calculated in cents to 2 decimal places;

- (d) **Expiry Date:** The options will expire on 24 November 2025 unless expiry occurs earlier under these terms and conditions;
- (e) **Issue Date:** The date this resolution is passed by Shareholders and in any event no later than 1 month after the date of the Meeting;
- (f) **Not transferable and not listed:** The options are not transferable and not listed;
- (g) **Exercise:** Subject to (h) below, the options may be exercised by notice in writing to the Company (the Exercise Notice), delivery of the option certificate and payment of the Exercise Price to the Company at any time prior to 5.00 pm Western Standard Time (WST) on the Expiry Date (the Exercise Period). The options may be exercised in one or more lots on different occasions during the Exercise Period, provided that such lots are equal to or a multiple of 50,000 options. Within 10 business days of receipt of the Exercise Notice and option certificate and payment of the Exercise Price, the Company will allot the corresponding number of fully paid ordinary shares to the option holder, procure the issue of a statement of holding for the shares and apply for the shares to be listed on the Australian Securities Exchange (ASX). The shares issued as a result of exercise of the options shall rank equally in all respects with the other issued fully paid shares in the Company. In the event of an exercise of less than all of the options a balance option certificate will also be issued;
- (h) **Cessation of engagement:**  
 In the event that either Mr Verbeek or his associated company, Malahang Pty Ltd (Malahang), ceases to be engaged by the Company, or Mr Verbeek is deceased (the Cessation Date), the number of Mr Verbeek's options which can validly be exercised as at the Cessation Date may be exercised by or on behalf of Mr Verbeek or his nominated option holder or personal representative within the lesser of 3 months from the Cessation Date and the term remaining to the Expiry Date of the options, following which the options shall forthwith lapse and have no further effect, unless otherwise determined by the directors of the Company;  
  
 In the event that Mr Verbeek's or Malahang's services to the Company are terminated by the Company following, or as a result of, the takeover of the Company, or following a change of control of the Company (being a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of Section 500A of the Corporations Act 2001 (Cth) gains such control over the Company), all the options shall remain in full force and effect for the full term up until the Expiry Date;
- (i) **New share issues:** There are no participation rights or entitlements inherent in the options and their holder will not be entitled to participate in new issues of capital offered to shareholders without exercising the options. The Company, however, will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be in accordance with the ASX Listing Rules. This will give the option holder the opportunity to exercise his options (should he otherwise be entitled to) prior to the date for determining entitlements to participate in any such issue;
- (j) **Reorganisations:** In the event of any reorganisation of the issued capital of the Company, the number of options or the exercise price of the options or both shall be reconstructed in a manner which complies with the ASX Listing Rules in force at that time and in all other respects the terms for the exercise of the options shall remain unchanged; and
- (k) **Options not exercised by 5.00 pm WST on the Expiry Date will automatically expire.**

#### **Value attributed to the proposed issue of options**

For illustrative purposes, the Company has used the Black Scholes option valuation model to calculate the value that would be attributable to the proposed options, had they been issued on 6 October 2022 - that is at the time of preparation of this Notice.

The value so calculated is 0.46 cents per option or \$9,200 for the 2,000,000 options.

The assumptions used in the valuation are set out below:

VWAP of Traka ordinary shares	0.64 cents
Exercise price - 25% premium to VWAP	0.80 cents
Risk free rate - 3-year Commonwealth Bond rate 6 Oct 2022	3.22%
Expected volatility	112%
Time to expiry	3 years

The expected future volatility of the Company's shares for the purpose of this valuation has been based on the historical volatility of Traka's shares over the past year – that volatility is approximately 112%.

The value of the options is particularly sensitive to volatility. The table below sets out the effect of different volatilities between 90% and 130% on the valuation above, all other assumptions remaining unchanged:

<b>Volatility (%)</b>	<b>Value per option (cents)</b>	<b>Value of 2,000,000 options (\$)</b>
90	0.39	7,800
100	0.42	8,400
<b>112</b>	<b>0.46</b>	<b>9,200</b>
120	0.49	9,800
130	0.51	10,200

The Exercise Price of the options will be based on the VWAP of the Company's shares. The value that will be attributed to the options in the Company's accounts can only be established as at the Issue Date. The table below sets out the effect of different VWAPs of Traka shares and hence related Exercise Prices, on the valuation above, all other assumptions remaining unchanged:

<b>VWAP (cents)</b>	<b>Exercise Price (cents)</b>	<b>Value per option (cents)</b>	<b>Value of 2,000,000 options (\$)</b>
0.40	0.50	0.52	10,400
0.50	0.63	0.49	9,800
<b>0.64</b>	<b>0.80</b>	<b>0.46</b>	<b>9,200</b>
0.70	0.88	0.45	9,000
0.80	1.00	0.44	8,800

Note: In accordance with Australian Accounting Standard AASB 2 "Share Based Payments", the Company will calculate the actual value attributable to these options as at the Issue Date, and this cost will be recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

#### **Total remuneration package of Mr Verbeek**

The Company entered into a consultancy agreement with Malahang Pty Ltd on 14 October 2003 (Consultancy Agreement). In accordance with the terms of the Consultancy Agreement, Malahang agreed to provide the services of its employee, Mr Patrick Verbeek, to undertake all functions, duties, roles and authorities which the Company would require of a person engaged as Managing Director of the Company on a full-time basis. The Consultancy Agreement commenced on 20 November 2003 with an initial term of 2 years and has been extended since for further terms of 1 or 2 years. The current term concludes in May 2023. The current base consulting fee is \$270,000 per annum.

The amount of fees expected to be paid under the current Consultancy Agreement for the year ending 30 June 2023 is \$270,000 plus reimbursement of work-related expenses. The total remuneration package of the Managing Director for the 2022/23 year under the current agreement and at the current rate of remuneration, including the estimated value of the proposed options, would amount to:

Fees (payable to Malahang)	\$270,000
Estimated value of proposed options based on assumptions as at the time of preparing this Notice	<u>\$ 9,200</u>
Total remuneration package	<u>\$279,200</u>

#### **Relevant interest of Mr Verbeek in the securities of the Company**

Mr Verbeek has the following relevant interests in the securities of the Company:

<b>Holding</b>	<b>Interest</b>	<b>Shares</b>	<b>Options</b>
Malahang Pty Ltd	Mr Verbeek is a director and shareholder of Malahang Pty Ltd	24,821,964	4,000,000

2,000,000 of the existing options (exercisable at 1.03 cents per share) expire on 28 November 2022.

### **The effect of the issue on existing shareholders**

There are currently 688,774,561 shares on issue in Traka. Should the 2,000,000 options proposed to be issued in this resolution be exercised in full, existing members' interests will be diluted by 0.3%.

These options represent a new category of unlisted options and consequently there is no trading history. The Company's shares have a 12 month price range of a high of 1.8 cents and a low of 0.5 cents with the last sale price being 0.7 cents on 6 October 2022.

The estimated cost to the Company of the issue of the options, based on the valuation set out in subsection 6.3, is \$9,200 or 0.46 cents per share on issue. The actual cost will depend on the VWAP of Traka shares and the related Exercise Price.

Except as stated in this Explanatory Memorandum, the Directors do not consider that, from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by granting the options, pursuant to this resolution, to Mr Verbeek or his nominee upon the terms proposed, except as otherwise disclosed in this Explanatory Statement.

Neither the Company nor the Directors are aware of any undisclosed information that would be reasonably required by shareholders to make a decision in relation to the potential financial benefits contemplated by this resolution.

### **Directors' recommendation**

Approval of this proposed resolution would have the effect of authorising the issue of 2,000,000 free options over unissued shares in the Company to Mr Verbeek.

The Directors, other than Mr Verbeek, do not have an interest in the outcome of this resolution and recommend that shareholders approve the issue of the options for the following reasons:

- (a) the options are considered by the Directors to provide a cost-effective means of giving an incentive to Mr Verbeek to advance the Company's interests in accordance with the directions given from time to time by the board of directors; and
- (b) the number of options to be issued is considered to be in line with the number issued to directors of similar companies.

Mr Verbeek, who stands to gain personally from the issue of the options, declines to make any recommendation in relation to shareholders' consideration of this resolution.

## **6.4 Listing Rule 10.13 Disclosures**

The following information is provided to satisfy ASX Listing Rule 10.13 to allow shareholders to assess the proposed issue of options in the Company:

- (a) The name of the person to whom the proposed issue of options will be made is Mr Patrick A Verbeek;
- (b) Mr Verbeek is a director, and hence a related party to Listing Rule 10.11.1, of the Company;
- (c) The maximum number of options to be issued is 2,000,000;
- (d) The Issue Date will be the date of the passing of this resolution and in any event no later than one month after the date of the Meeting;
- (e) The options will be issued free on the terms and conditions set out in subsection 6.3 above;
- (f) A voting exclusion statement for this resolution is included in the Notice;
- (g) No funds will be raised by the issue of the options. If all the options are exercised, based on an Exercise Price of 0.46 cents per share, as used in the example valuation in subsection 6.3, the exercising of the options would result in an additional \$9,200 of working capital for the Company.
- (h) Mr Verbeek is a director and therefore a related party of the Company, with a current total remuneration package of \$270,000 as detailed in 6.3 above.

Approval of shareholders is being sought under this Resolution pursuant to ASX Listing Rule 10.11 for the issue of up to 2,000,000 options. Consequently, in accordance with ASX Listing Rule 7.2 (Exception 14), shareholder approval under ASX Listing 7.1 is not required for the issue of these options.

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### **ENQUIRIES**

Shareholders are required to contact the Company's Company Secretary on +61 8 9322 1655 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Facility** has the meaning given in Section 5.1 of the Explanatory Statement.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chairperson of the Meeting

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means Traka Resources Limited (ACN 103 323 173).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** mean the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement to the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Option** means an option which entitles the holder to subscribe for one Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid, ordinary share in the Company.

**Shareholder** means a holder of Shares in the Company.

**Substantial Holder** has the meaning given in the ASX Listing Rules.

**Trading Days** has the meaning given in the ASX Listing Rules.

**VWAP** means volume weight average market price, as defined in the ASX Listing Rules.

**WST** means Australian Western Standard Time as observed in Perth, Western Australia.



**Traka Resources Limited**  
ABN 63 103 323 173

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:30pm (AWST) on Wednesday, 23 November 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 181730**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark ☒ to indicate your directions

## Step 1

## Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Traka Resources Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Traka Resources Limited to be held at Country Women's Association of WA, Level 2, 1176 Hay Street, West Perth, WA 6005 on Friday, 25 November 2022 at 2:30pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 by marking the appropriate box in step 2.

## Step 2

## Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of a Director - Mr George Petersons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Options to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3

## Signature of Securityholder(s)

*This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

