

18 January 2023

## December 2022 Quarterly Activities Report

*Exploration confirms compelling potential for Rare Earth Elements at Mt Cattlin, with follow-up drilling planned;*

### Mt Cattlin Gold Copper Project, WA

- Anomalous Rare Earth Elements (REE) mineralisation identified in auger geochemical sampling previously undertaken for the purposes of Geochemical Footprint Modelling at Mt Cattlin.
- Partially coincident large thorium anomaly identified within the northern portion of the Mt Cattlin Project area, highlighting a prospective zone for supergene-enriched REE at the base of the weathered zone.
- REE results indicate that the intrusive complex, which hosts the mineralisation at Mt Cattlin, may include alkali-rich intrusive-like carbonatites, which are the most significant hard-rock source of REE. This hypothesis is supported by the previous recognition of fenite alteration, which is characteristically located on the margins of carbonatites.
- A deep diamond drilling program, supported by EIS funding, is currently being planned to test several targets. These drill-holes will test the gold-copper potential within the multi-phase intrusive complex, while also assessing the overlapping REE potential.
- Several REE anomalous trends have been highlighted, which are partly aligned with dominant north-east-trending structures and overlying buried intrusions.
- Air-core drilling is also planned to test the near-surface REE ionic clay potential.
- REE work program is now being assisted by Dr. Phillip Hellman, an REE expert with international experience in this field.

### Gorge Creek, QLD

- Planning continues for the re-commencement of follow-up drilling targeting copper, cobalt, lead and zinc mineralisation during the 2023 field season.

### Corporate

- Subsequent to quarter end, establishment of At-The-Market (ATM) subscription facility with Dolphin Corporate Investments for up to \$3M of standby equity capital over next three years.
- Traka continues to assess a number of new mineral project opportunities in Australia as part of its Business Development strategy.

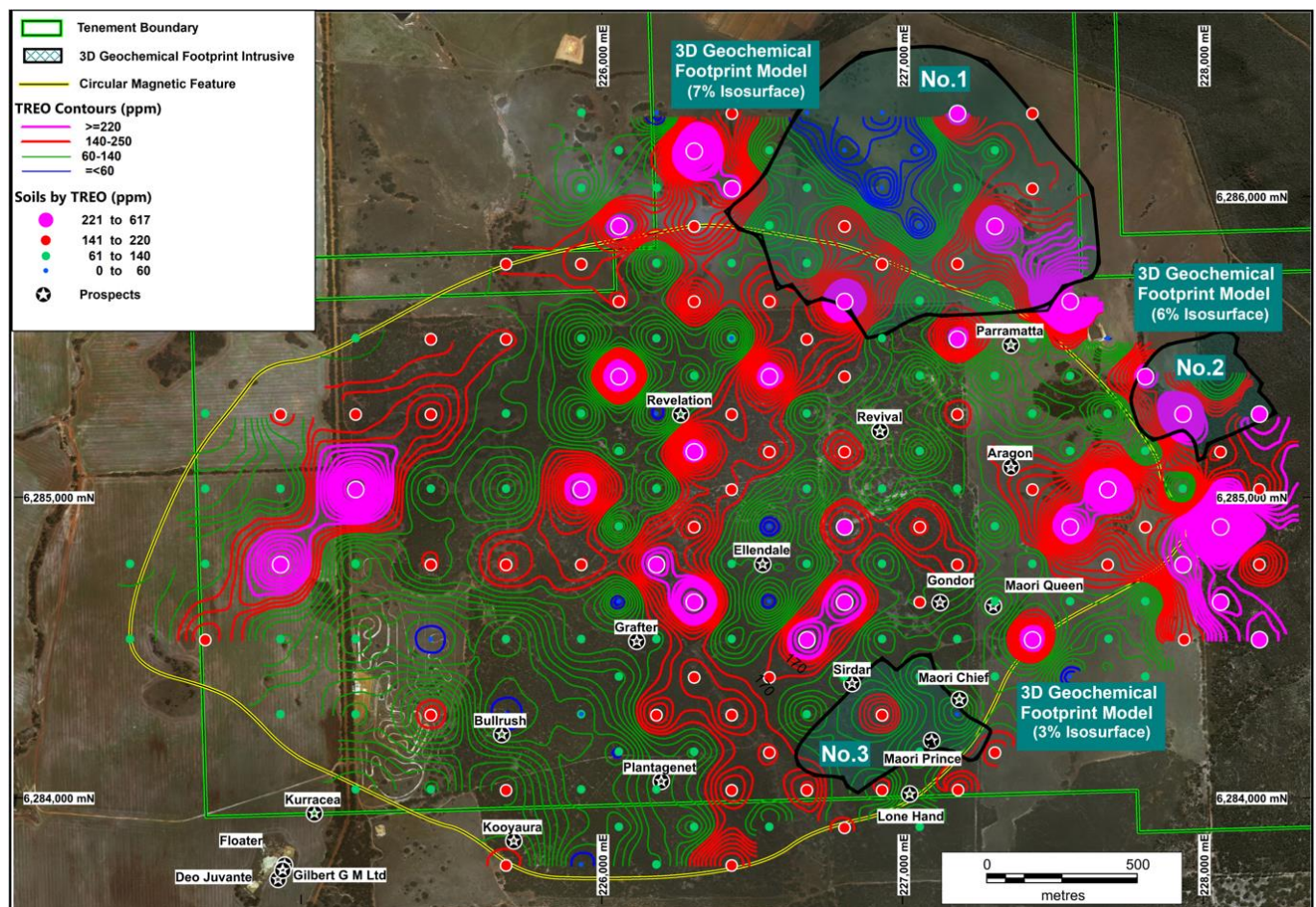
## Mt Cattlin Gold-Copper Project

During the Quarter, significant Rare Earth Element (REE) anomalism was detected in auger geochemical samples and airborne radiometric data collected from the Mt Cattlin Project.

The auger geochemical samples were collected in 2022 to assist with Geochemical Footprint Modelling of the gold and copper potential at Mt Cattlin<sup>1</sup>.

Ongoing evaluation of the data, further sampling and additional assay is underway, however the Company believes that the REE mineralisation may be associated with carbonatite intrusives within the multi-phase Mt Cattlin intrusive complex. This view is supported by the previous observation of fenite alteration in drill holes and mapping, with this type of alteration typically found on the margins of carbonatite intrusives<sup>2</sup>.

The REE geochemical results, depicted as TREO (Total Rare Earth Oxide), highlight anomalies predominantly in the north-east trend, partly coincident with mineralised structures and the buried gold-copper targets which have been the focus of Traka's previous exploration (Figure 1).



**Figure 1. A geochemical plan view showing TREO anomalism over the Mt Cattlin intrusive complex. Several north-east trending anomalous zones are parallel but offset to the mineralised gold-copper structures which include porphyries that host the various gold-copper mines and prospects. A large anomaly to the north-east of the Maori Queen Resource overlies one of the buried footprint modelling intrusive.**

All the anomalies occur with the boundaries of the multi-phase and strongly hydrothermally altered intrusive complex.

<sup>1</sup> Traka ASX Announcement 16 May 2022 - Vectoring to the mineralised core of the Mt Cattlin Gold-Copper Project

<sup>2</sup> Traka ASX Investor Presentation 7 June 2021.

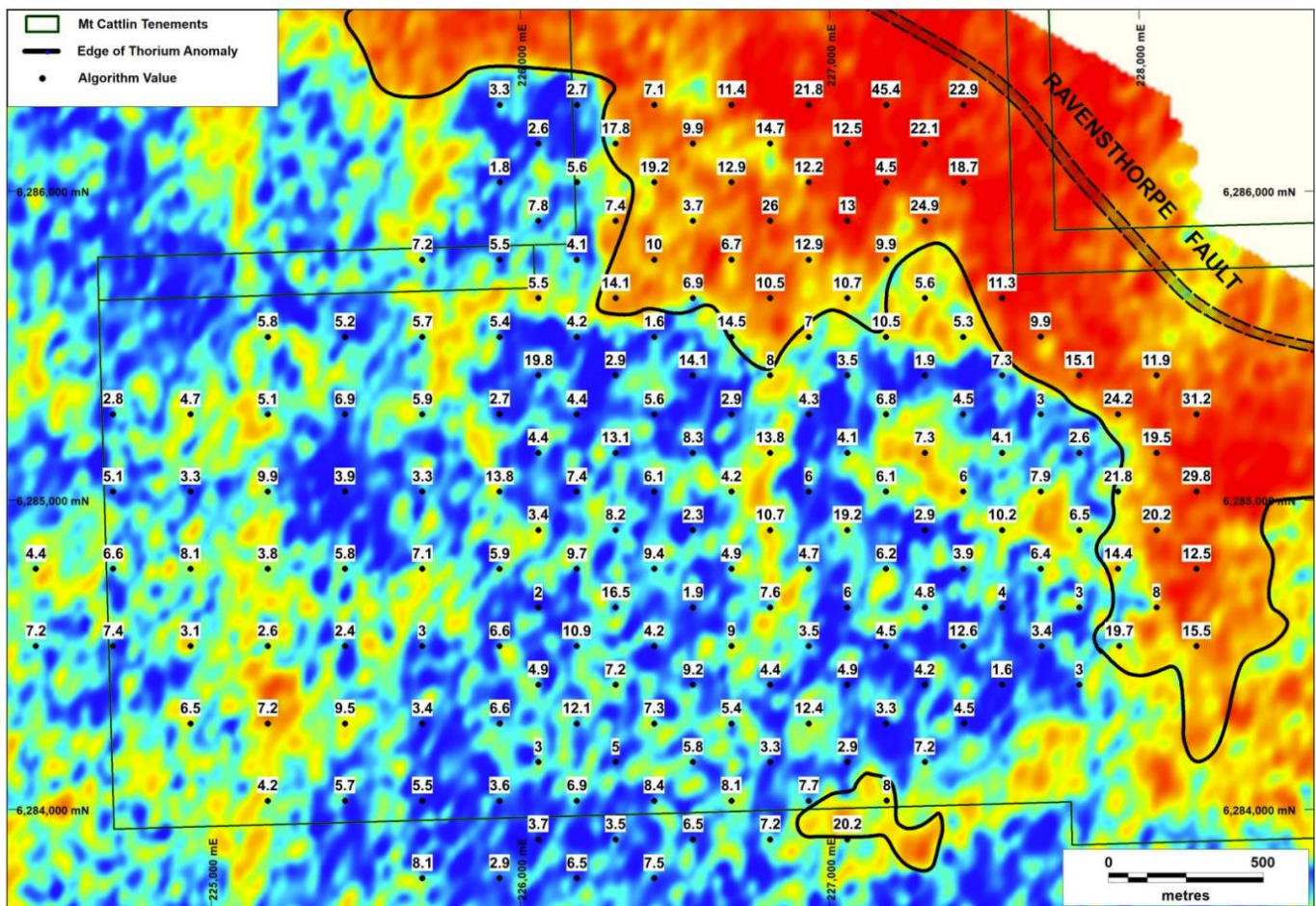


The geochemistry data comprised bottom-of-hole auger samples (0.5 to 1.0m deep) with the ultrafine clay fraction (<7µm) assayed for REE. The full oxidised regolith profile that would host the supergene enriched REE ionic clay potential, which is typically in the range of 5 to 25 metres deep, is yet to be tested but will be prioritised below the peak near-surface auger base anomalies.

Several of these anomalies extend over 2km each and extend beyond the limits of the auger sampling program. The peak TREO anomalism was 617ppm, which is several orders of magnitude above background potential.

Following the identification of the REE anomalies, a review of previously collected airborne radiometric data<sup>3</sup> was undertaken with the assistance of Dr. Phillip Hellman, an REE expert with international experience in this field.

This review highlighted an area characterised by enhanced thorium values that are coincident with an area suggestive of near-surface REE depletion (Figure 2). Auger geochemical samples collected for the completed 3D Geochemical Footprint Modelling program are now being used to undertake further assessment of this potential<sup>4</sup>.



**Figure 2. A thorium radiometric image showing the previously located TREO anomalies as well as the new coincident thorium/REE anomaly in the north-east quadrant. The sample values above 8 (derived from an algorithm relating individual REE to radiometric elements) which coincide with thorium anomalism define the area of sub-surface supergene enriched REE mineralisation. The TREO anomalies are in contrast the sum of assay results for the 11 REE oxides. Several north-east trending anomalous zones are parallel but offset to the mineralised gold-copper structures which include porphyries that host the various gold-copper mines and prospects. The large new thorium located in the north-east of project overlies the buried intrusives prospective for gold and copper.**

<sup>3</sup> Traka ASX Announcement 9 September 2020 – Commencement of Geophysical Surveys

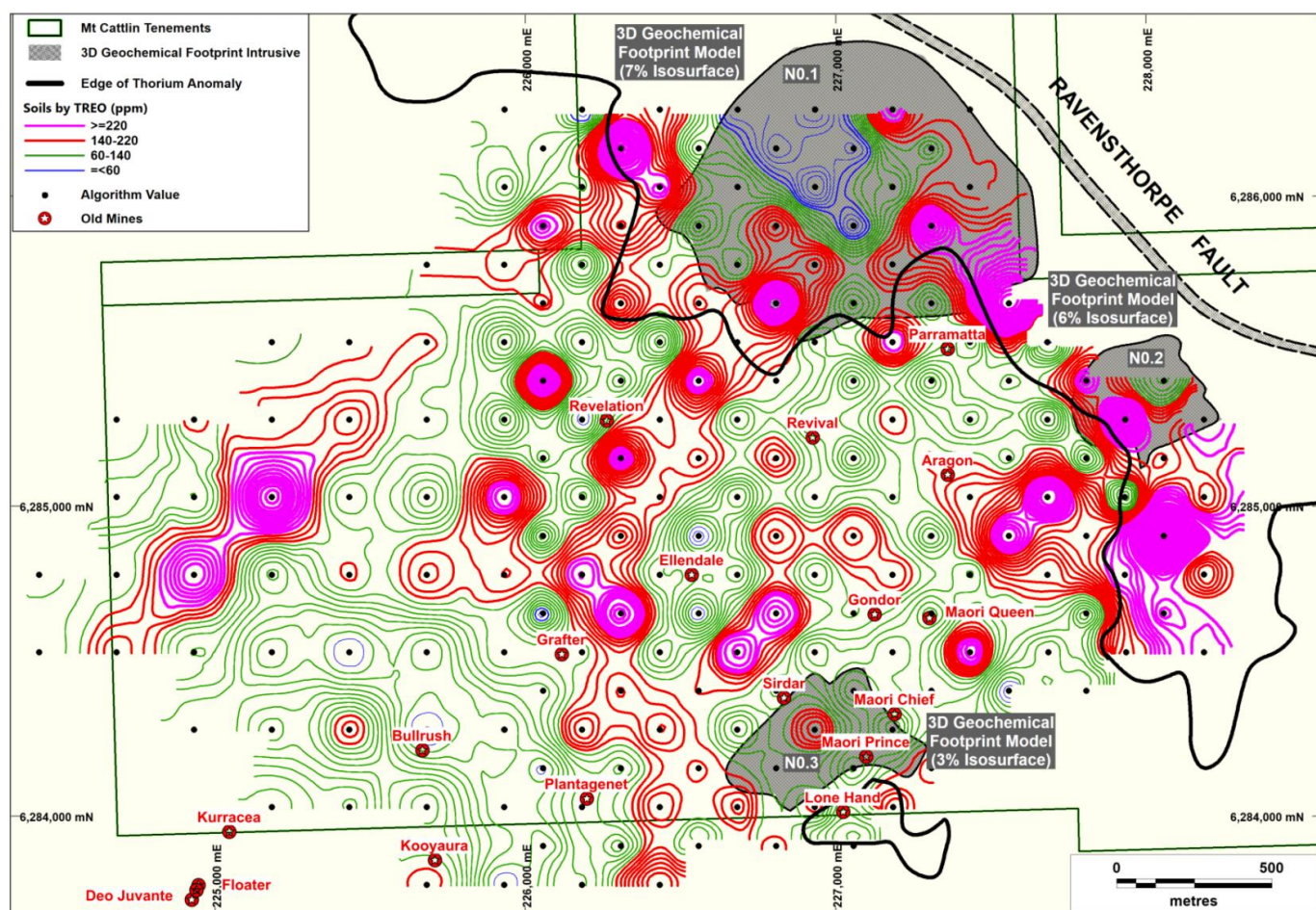
<sup>4</sup> Traka ASX Announcement 16 May 2022 – Vectoring to the mineralised core of the Mt Cattlin Gold-Copper Project



Residual near-surface thorium anomalies are consistent with depletion of REE into the underlying weathered clay-rich zone by downward leaching. Thorium, being relatively immobile, can therefore be a key indicator of underlying supergene enriched REE mineralisation at the base of the weathered zone.

This scenario is especially applicable where the weathered regolith profile is in-situ and not covered by transported overburden. This is the case at Mt Cattlin, where the elevated thorium values occur in gently sloping land immediately west of the Ravensthorpe Fault.

This is in contrast with the TREO anomalies identified via auger geochemical sampling in the centre of the project area, which appear to be structurally controlled<sup>5</sup>. The thorium anomaly is an additional target to the TREO targets and significantly increases the scale of REE prospectivity at Mt Cattlin (Figure 3).



**Figure 3. TREO anomalies (red colours) shown as contours with the position of the thorium anomaly, buried mineralised intrusives and the Ravensthorpe Fault shown.**

Further evaluation of the project data in addition to sampling of old drill holes for REE elements is currently underway. The locations previously observed to have fenite alteration, which is characteristic of the presence of REE-bearing carbonatite intrusives, is also being re-investigated.

The new thorium anomaly area will be tested alongside the TREO anomalies, with air-core drilling to be conducted to the base of weathering. At this stage, it is not known whether the rare earths in the regolith are readily leachable or locked within resistant phases such as zircon or monazite. Future work will require desorption tests if rare earth elements are found to have accumulated within clay-rich horizons such as found elsewhere in established Ionic Adsorption Deposits (IAD).

<sup>5</sup> Traka ASX Announcement 22 November 2022 – Strong Rare Earths anomalism identified at Mt Cattlin Gold-Copper Project

The underlying bedrock potential for REE elements associated with alkali intrusives and carbonatites can be assessed concurrently via the re-sampling of old drill-holes and the drilling of two deep drill holes planned to test the buried intrusives. These deep holes will be the first to test the core of the multi-phase, strongly hydrothermally intrusive complex that is believed to host all mineralisation at Mt Cattlin.

Full details of the REE anomalies and assay results were provided in the Company's ASX Announcements dated 22 November and 12 December 2022.

### ***EIS Funding***

During the Quarter, Traka was awarded \$220,000 of funding under the Exploration Incentive Scheme (EIS), a State Government initiative aimed at encouraging exploration in Western Australia for the long-term sustainability of the State's resources sector.

The funding will support the completion of two deep diamond drill holes to test the mineralised conductors identified at the Mt Cattlin Project for both gold-copper and REE potential. The co-funding grant will cover half of the estimated direct drilling cost.

### **Gorge Creek Project**

Traka last undertook drilling at Gorge Creek in September 2019 and intersected encouraging levels of copper (Cu), lead (Pb) and zinc (Zn) mineralisation in a number of RC pre-collar drill-holes but did not have the opportunity to reach target depths with diamond drill-hole tails because of the onset of the wet season and then the subsequent loss of access due to COVID-19 travel restrictions.

The drilling was designed to target very large-scale SEDEX-style lead and zinc deposits, similar in nature to the Tier-1 Century and MacArthur River deposits found in the region and the copper (Cu), cobalt (Co), lead (Pb) and zinc (Zn) targets identified on the major structural positions like the Fish River Fault Zone (FRFZ) hosting the nearby Walford Creek deposit (Figure 6).

Planning, including discussion with potential joint venture partners, is continuing with a view to recommencing field work early in the 2023 dry season (May to November 2023).

### **Musgrave Project**

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

### **New Project Development**

While the Company is busy on its existing projects, ongoing efforts continue to be made to identify other opportunities to expand the Company's exploration portfolio.

## **CORPORATE**

### **At-the-market facility**

Subsequent to the end of the Quarter, as announced on 5 January 2023, the Company entered into an At-The-Market (ATM) subscription facility with Dolphin Corporate Investments (DCI) to provide the Company with up to \$3 million of standby equity capital over the next three years, and issued DCI with 34,000,000 shares as collateral under the agreement.

### **Annual General Meeting**

A General Meeting of the Company's shareholders was held on 25 November 2022, with all resolutions passed on a poll.

## Payments to Related Parties

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

	\$000
Remuneration of the Managing Director	68
Director fees paid to non-executive directors	25
Rent of storage space paid to entity associated with a director	3

By authority of the Board

Patrick Verbeek

**Managing Director**

## 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 2022

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	(84)	(220)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(63)	(102)
	(e) administration and corporate costs	(69)	(203)
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	-	-
1.8	Other – Government co-funding drilling	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(214)</b>	<b>(523)</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)	(8)
	(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>(8)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(25)	(25)
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>(25)</b>	<b>(25)</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	634	948
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(214)	(523)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25)	(25)



## 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>392</b>	<b>392</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	392	333
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Term Deposits	-	301
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>392</b>	<b>634</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	96
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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(214)
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)	(214)
8.4	Cash and cash equivalents at quarter end (item 4.6)	392
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	392
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.8
	<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?	
	<div style="border: 1px solid black; padding: 5px;"> <p>The Company is expecting the level of administration, corporate and staff costs to continue at the current level. An increase in exploration cash outflow is expected when a drilling program, supported by EIS funding, is undertaken at Mt Cattlin and follow-up drilling at Gorge Creek is re-commenced.</p> </div>	
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?	
	<div style="border: 1px solid black; padding: 5px;"> <p>The Company is constantly reviewing its options for raising further capital to fund its operations and, given recent encouraging exploration results at Mt Cattlin, anticipates being able to successfully raise further funds as and when required. Subsequent to quarter end, the Company has established an At-The-Market subscription facility to provide Traka with up to \$3m of standby equity capital over the next 3 years.</p> </div>	
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?	
	<div style="border: 1px solid black; padding: 5px;"> <p>Yes. During the quarter the Company was awarded \$220,000 of funding under the EIS initiative to assist with planned direct drilling cost. Given the encouraging Rare Earth Element anomalism detected in samples and data collected at Mt Cattlin and other exploration results, the Company anticipates being able to successfully raise further funds as and when required. Subsequent to quarter end, the Company has established an At-The-Market subscription facility that provides flexibility of the terms and timing for financing of its operations.</p> </div>	
	<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: 18 January 2023 .....

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 2022**

<b>Type</b>	<b>Tenement</b>	<b>Location</b>	<b>Registered Holding</b>	<b>Beneficial Interest</b>
E	69/2749	Musgrave, WA	0%	Note 1
E	69/3156	Musgrave, WA	0%	Note 1
E	69/3157	Musgrave, WA	0%	Note 1
E	69/3490	Musgrave, WA	0%	Note 1
E	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%
EA	37/1458	Leonora, WA	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