

28 April 2023

MARCH 2023 QUARTERLY ACTIVITIES REPORT

Air-core drilling completed to test near-surface REE potential at Mt Cattlin and with diamond drilling now underway to test high-priority targets for REE, gold and copper mineralisation.

KEY POINTS:

MT CATTLIN GOLD-COPPER-REE PROJECT, WA

- Air-core drilling completed to investigate the extent and grade of REE mineralisation in the clay-rich weathered zone below surface soil anomalism. The REE anomalism overlies the intrusive complex at Mt Cattlin, which may include alkali-rich rocks – the most significant hard-rock source of REE.
- Deep diamond drilling commenced subsequent to the Quarter-end to test the previously identified No. 1 and No. 3 intrusives for REE, gold and copper mineralisation in the Mt Cattlin intrusive complex.

GORGE CREEK, QLD

- Traka has been awarded a \$250,000 grant under the Queensland Government Collaborative Exploration Initiative (CEI) to drill four base metal targets at Gorge Creek.
- Four diamond drill-holes are planned to test previously identified targets which already have RC drill-hole collars completed:
 - Two copper-cobalt-lead-zinc targets on the Fish River Faults Zone; and
 - Two targets prospective for large-scale Sedimentary Exhalative deposits.
- Drilling is scheduled to commence in July 2023, during the northern dry season.

CORPORATE

- A capital raising was completed raising \$571,430 before costs through an entitlement offer at a price of 0.6 cents per share.
- All the shortfall shares from the entitlement offer were placed at the Directors' discretion, also at 0.6 cents per share, raising an additional \$295,898 before costs.

MT CATTLIN GOLD-COPPER PROJECT

Air-core drilling designed to evaluate the extent and grade of Rare Earth Element (REE) anomalism in the clay-rich zone overlying the intrusive complexⁱ at Mt Cattlin was completed ahead of schedule during the March Quarter.

Previous exploration work has indicated that the REE mineralisation may be associated with carbonatite intrusives within the multi-phase Mt Cattlin intrusive complex. This includes observations of fenite alteration in previous drilling and mapping, which is characteristically associated with REE-bearing alkali intrusives (Figure 1).

The air-core program comprised 388 drill-holes for a total of 3,340m (Figure 1). The drill-hole samples were initially scanned using p-XRF (Portable XRF analysis) to assist with the selection of samples for submission to the laboratory. Initial assay results from the aircore drilling are expected to be reported during the June Quarter.

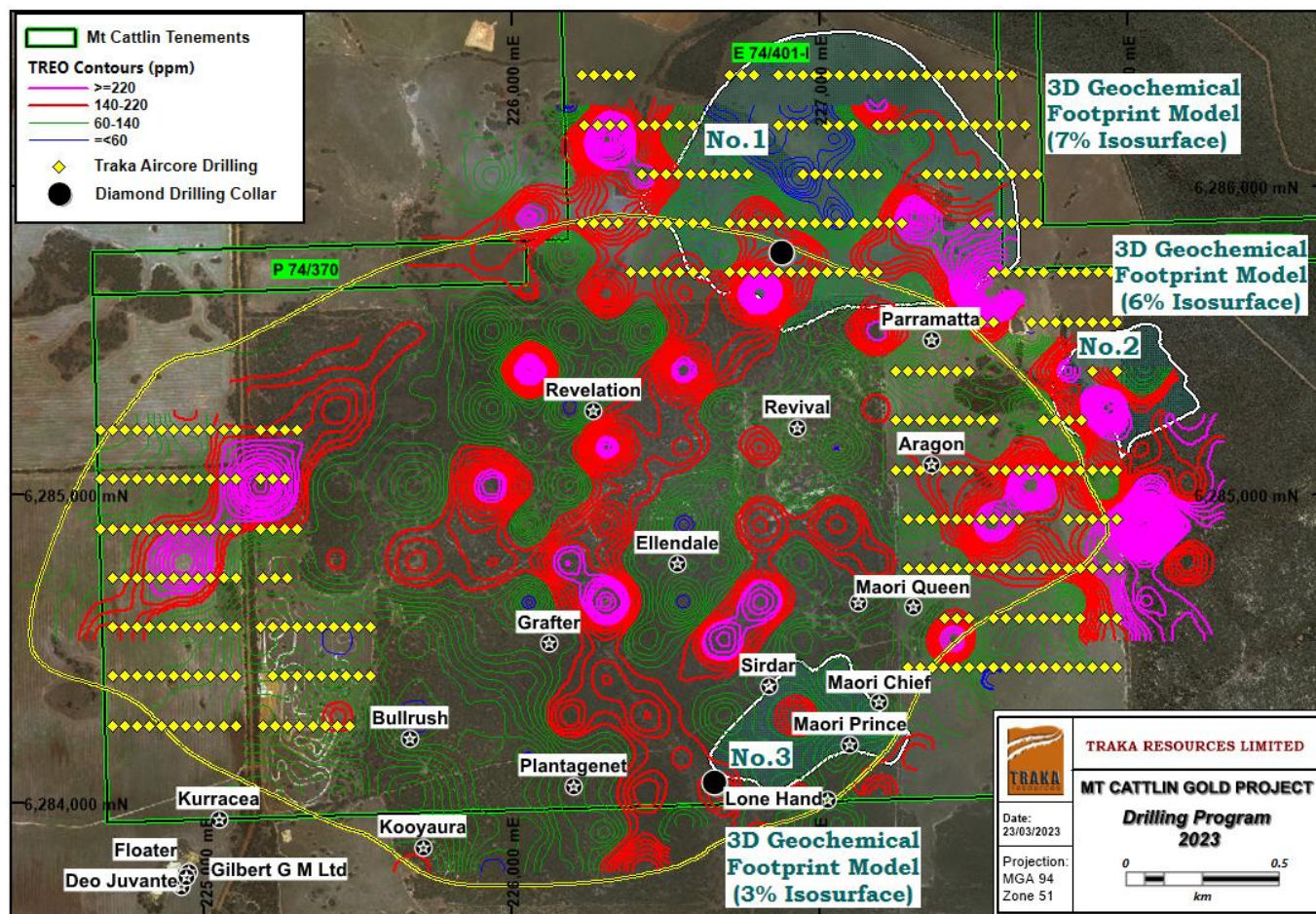


Figure 1. A geochemical plan view showing Total Rare Earth Oxides (TREO) soil anomalism over the Mt Cattlin intrusive complex. Several north-east trending anomalous zones are parallel but offset to the mineralised gold-copper structures which include porphyries that host the various gold-copper mines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

In addition to the air-core program a diamond drill program, extending from below a reverse circulation (RC) pre-collar was commenced. Two deep diamond holes will be completed to test the bedrock REE, gold and copper potential of the Mt Cattlin intrusive complex.

The first diamond drill hole will test the No.1 buried mineralised intrusive position in the northern part of the Mt Cattlin Project (Figure 1)ⁱⁱ. This intrusive is in a prospective position between a tonalite sill and a bend in the steeply-dipping Ravensthorpe Fault.

The second diamond drill hole will target the No. 3 buried mineralised intrusive directly below the Sirdar mineral resource position.

Drilling operations will continue on a 24/7 basis, with the two holes expected to take approximately six weeks to complete.

GORGE CREEK PROJECT

Four diamond holes are planned to commence in July on previously defined targets within the Company's 100%-owned Gorge Creek Project in Far North-West Queensland (Figure 2).

Two holes will be used to test a large-scale, flat-lying lead and zinc targets of the Sedimentary Exhalative (SEDEX) style within Mt Les Siltstone sequence and two holes will test targets within the very large steeply dipping and east-west trending Fish River Faults Zone (FRFZ). RC pre-collars were previously completed on these targets, however access constraints during the subsequent two years of COVID-19 travel restrictions prevented follow-up diamond drill hole tails being completed.

Subsequent to the end of the quarter, Traka has been awarded a \$250,000 Queensland Government Exploration Initiative (CEI) direct cash grant to drill these four base metal targets. The CEI grant reflects the Queensland Government's support for exploration drilling on previously identified targets which are considered highly prospective for large-scale copper-cobalt-lead-zinc discoveries.

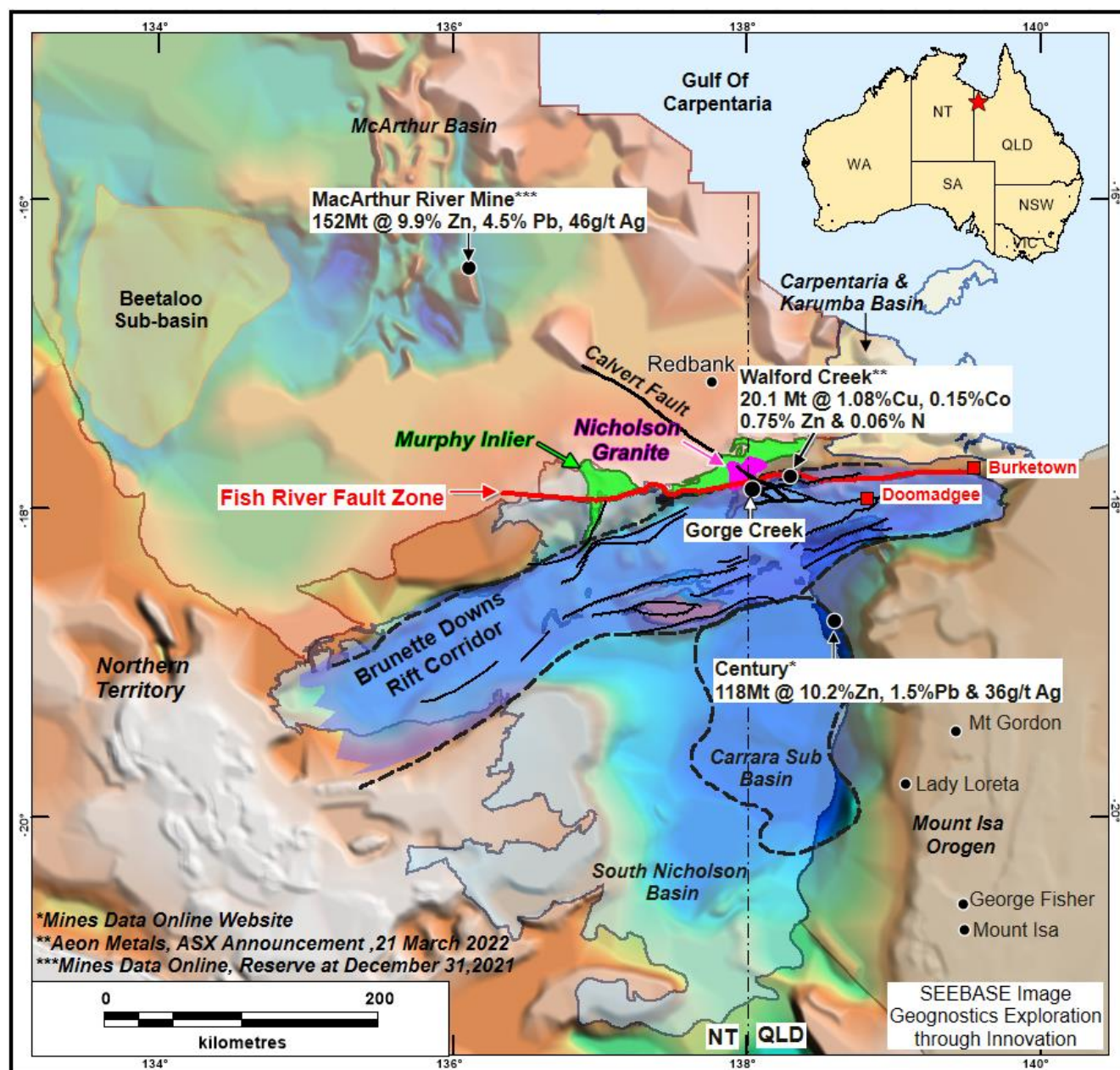


Figure 2. An image showing the key position of the Gorge Creek Project on the intersecting margin of the newly defined Brunette Downs Rift Zone, major faults and the Nicholson Granite

MUSGRAVE PROJECT

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

PROJECT GENERATION

The Company continues to assess new mineral project opportunities as part of its Business Development Strategies. New tenement applications for areas considered particularly prospective for REE and base metals west of Mt Cattlin and at Gorge Creek have been made as part of this strategy.

CORPORATE

Entitlement Offer

Traka undertook a non-renounceable pro-rata 1 for 5 rights issue during the Quarter, comprising the issue of up to 144,554,912 fully paid ordinary shares at a price of 0.6 cents each to all shareholders of the Company as at 6 March 2023. The entitlement offer closed on 30 March 2023, raising \$571,430 (before costs) from existing shareholders, representing 66% of the offer. A further \$295,898 (before costs) was raised by placement of all the shortfall shares at 0.6 placed at the Directors' discretion.

At-The-Market Facility

On 5 January 2023 the Company entered into an At-The-Market (ATM) subscription facility with Dolphin Corporate Investments to provide Traka with up to \$3 million of standby equity capital over the next 3 years. The ATM agreement provides Traka with sole discretion on whether or not to utilise the facility, the number of shares to be issued, minimum issue price and the ability to terminate at any time without cost or penalty. Traka issued 34 million shares as collateral from its existing placement capacity under LR 7.1, but may, at any time, buy back and cancel these share (subject to shareholder approval). Further details are contained in the ASX announcement on 5 Jan 2023.

Payments to Related Parties

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

	\$000
Remuneration of the Managing Director	67
Director fees paid to non-executive directors	25
Rent of storage space paid to entity associated with a director	3

Authorised by the Board.

Patrick Verbeek
Managing Director

ⁱ Traka ASX Announcement 22 November 2022 – Strong REE anomalism identified at Mt Cattlin

ⁱⁱ Traka ASX Announcement 10 October 2022 – Key geophysical survey identifies favourable positions for mineralised intrusives at Mt Cattlin

COMPLIANCE STATEMENT

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 who is the Managing Director of Traka Resources Limited. Mr Verbeek, who is a Competent Person and a Member of the Australasian Institute of Mining and Metallurgy, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 this report of the matters based on the 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 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(178)	(398)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(52)	(154)
	(e) administration and corporate costs	(110)	(313)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
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	-	-
1.9	Net cash from / (used in) operating activities	(339)	(862)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(8)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	-	(8)

3.	Cash flows from financing activities		
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	(5)	(30)
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)	-	-
3.10	Net cash from / (used in) financing activities	(5)	(30)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	392	948
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(339)	(862)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(30)

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	48	48

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	48	392
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Term Deposits	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	48	392

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	95
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

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<p><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i></p> <p><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	3,000	-
7.4	Total financing facilities	3,000	-
7.5	Unused financing facilities available at quarter end		3,000
7.6	<p>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.</p> <p>On 5 January 2023 the Company entered into an At-The-Market (ATM) subscription facility with Dolphin Corporate Investments to provide Traka with up to \$3 million of standby equity capital over the next 3 years. The ATM agreement provides Traka with sole discretion on whether or not to utilise the facility, the number of shares to be issued, minimum issue price and the ability to terminate at any time without cost or penalty. Traka issued 34 million shares as collateral from its existing placement capacity under LR 7.1, but may, at any time, buy back and cancel these share (subject to shareholder approval).</p> <p>Further details are contained in the ASX announcement on 5 Jan 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(339)
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)	(339)
8.4	Cash and cash equivalents at quarter end (item 4.6)	48
8.5	Unused finance facilities available at quarter end (item 7.5)	3,000
8.6	Total available funding (item 8.4 + item 8.5)	3,048
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.0
<p><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></p>		
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>The Company is expecting the level of administration, corporate and staff costs to continue at the current level. Exploration cash outflow is expected to decrease as the drilling program undertaken at Mt Cattlin concludes and EIS funding is received.</p>	

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?

During the quarter the Company has also entered into an ATM facility with a term of 3 years (Refer ASX announcement 5 Jan 2023)

Subsequent to quarter end, the Company concluded a successful 1:5 rights issue at 0.6 cents per share.

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?

Yes.

In addition to the \$220,000 EIS grant awarded in the prior quarter, the Company was also awarded, subsequent to quarter end, a \$250,000 grant under the Queensland Government Collaborative Exploration Initiative (CEI) to drill four base metal targets at Gorge Creek. 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.

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.

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: 28 April 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 March 2023

Type	Tenement	Location	Registered Holding	Beneficial Interest
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