

28 July 2023

JUNE 2023 QUARTERLY ACTIVITIES REPORT

All drilling has been completed at the Mt Cattlin Gold, Copper and REE Project.

KEY POINTS:

MT CATTLIN GOLD-COPPER-REE PROJECT, WA

- Two deep diamond drill holes totalling 1,726 metres commenced last quarter to test the No.1 and 3 Intrusives for gold, copper and REE potential have been completed. Multiple hydrothermally altered zones with minor disseminated and veinlet sulphides on the margins of porphyry intrusives were observed. Hylogger spectral scanning, infill sampling and other geological studies are underway on the core to enable construction of a 3D geological model.
- Assay results for the extensive air-core drilling completed last quarter has been long delayed by the laboratory. These are expected within the next few weeks.

GORGE CREEK, QLD

- Heritage access permits, after several years of hiatus due to COVID-19 travel restrictions, are also being sought. Four diamond drill holes are being planned to test large scale flat lying lead, zinc and copper SEDEX targets and high-grade copper, lead, zinc, silver and cobalt targets in structural positions along the Fish River Faults Zone.

CORPORATE

- The Company completed a 1:5 rights issue at 0.6 cents per share and successfully placed all shortfall shares, issuing 144,554,716 shares and raising \$867,328 before costs.

MT CATTLIN GOLD-COPPER-REE PROJECT

Deep diamond drillholes into the Mt Cattlin Intrusive Complex

Two deep diamond drill holes were completed at Mt Cattlin to test the No.1 and No.3 Geochemical Footprint targets within the large Mt Cattlin Intrusive Complex (Figure 1, Table 1)⁽¹⁾. Drillhole RAGD098 went to 816.4m depth and tested the No.3 target position and the Drillhole RAGD099 to 909.7m depth tested the No.1 position.

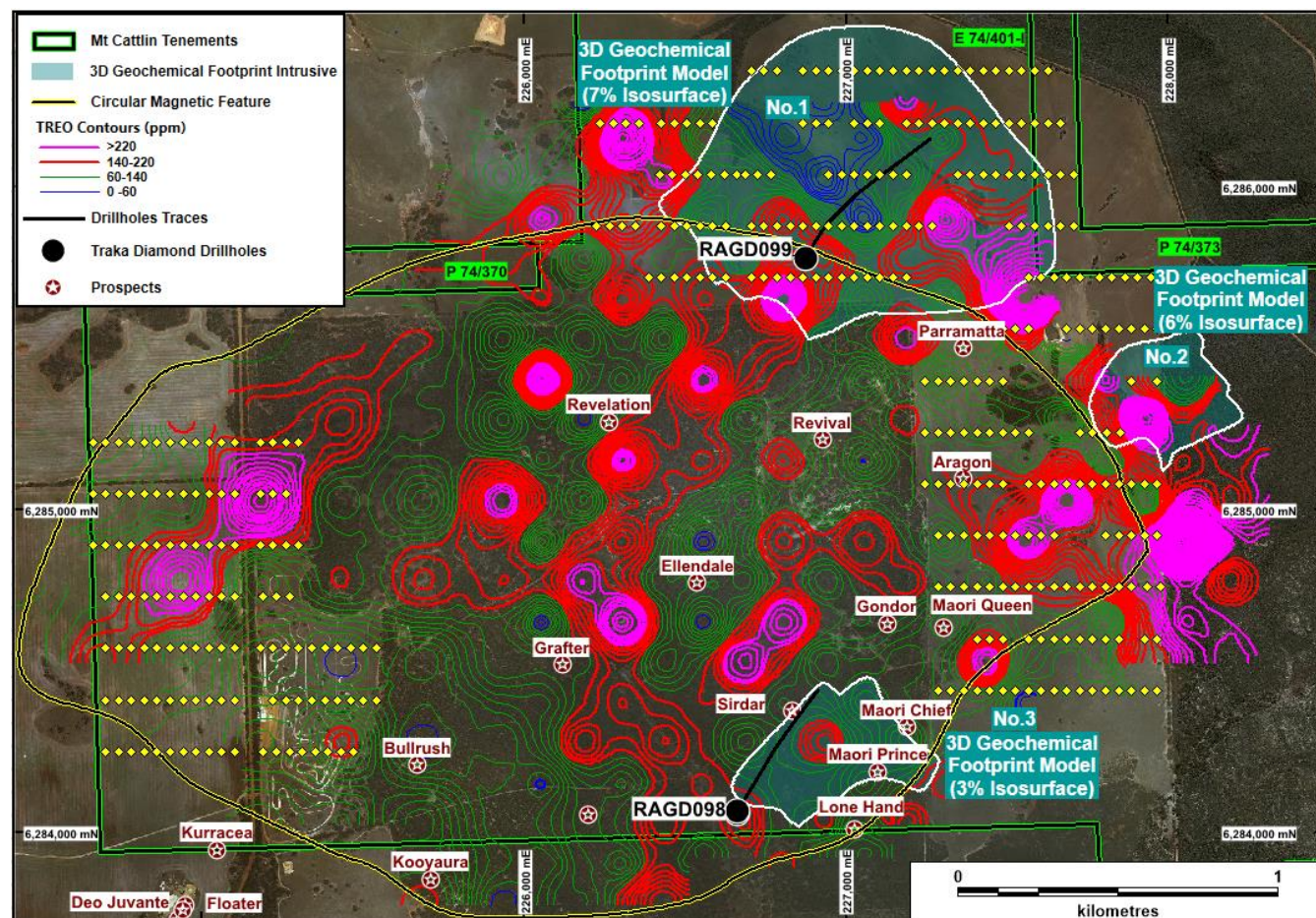


Figure 1. A geochemical plan view showing Total Rare Earth Oxides (TREO) soil anomalism over the Mt Cattlin Intrusive Complex as well as the position of the No. 1 and No. 3 buried intrusives.

Detailed evaluation of the drill hole is being undertaken. Numerous hydrothermally altered zones pre-dominantly on the contact zones either side of individual porphyry intrusives have been observed. Disseminated and veinlets occur in the altered contact zones. A Hylogger reflectance spectroscopy scan to determine the sulphide and gangue mineralogy within the drill core is underway. Upon receipt of the scan results in a few weeks' time it is anticipated that infill geochemical sampling, detailed geological logging, petrology and XRD (X-Ray Diffraction) to determine crystallography, chemical composition and physical properties will be conducted.

The high degree of hydrothermal alteration overprint on multi-phase intrusives including numerous porphyry is considered a favourable geological setting for the location of large-scale mineralisation. At Mt Cattlin the scale is measured over at least 3.5 kilometres within the elliptical shaped complex and between the two deep drill holes 1.5 kilometres apart. Three-dimensional modelling of the alteration pattern and geology setting is imperative to determine the next course of action and to place within the model the numerous high-grade gold and copper prospects at surface e.g., Sirdar and Maori Queen and the other cluster of old mines and prospects that characterise the Mt Cattlin project. The review of new drill data will also include re-evaluation of the previously acquired geophysical survey data including aeromagnetics, IP (Induced Polarisation) and ATM (Audio Magnetalluric).

| Hole Id | Easting (MGA94,Z51) | Northing (MGA94,Z51) | Total Depth (m) | Dip (degree) | Azimuth (degree) | Drill Type | Prospect |
|---------|------------------------|-------------------------|-----------------------|-----------------|---------------------|---------------|----------|
| RAGD098 | 226661 | 6284065 | 816.4 | -60 | 30 | DD | No.3 |
| RAGD099 | 226872 | 6285785 | 909.7 | -60 | 30 | DD | No.1 |

Table 1. Diamond drillhole information

Aircore drilling to evaluate the REE mineralisation in the near surface clay horizon

Assay results for the aircore drilling program completed last quarter in the clay-rich zone overlying the intrusive complex at Mt Cattlin is long delayed by the laboratory but is now expected to arrive over the next few weeks.

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.

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 more recent findings from the deep diamond drill core program are that the REE mineralisation is also associated with hydrothermal alteration zones hosting gold and copper.

GORGE CREEK PROJECT

Diamond Drill Program

The Company is planning a 4-hole diamond drill program on previously defined targets within the Company's 100%-owned Gorge Creek Project in Far North-West Queensland (Figure 2).

A reconnaissance survey was completed during the quarter and the detail of the necessary earth works to repair flood damage of tracks and drill pads has been quantified. Re-statement of Access Permits in compliance with Heritage obligations is now also being sought after several years hiatus of field activity following imposed COVID-19 travel restrictions.

Traka has been awarded a \$250,000 Queensland Government Exploration Initiative (CEI) grant, which will be applied to drilling these targets. The receipt of 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.

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 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 prevented follow-up diamond drill hole tails being completed.

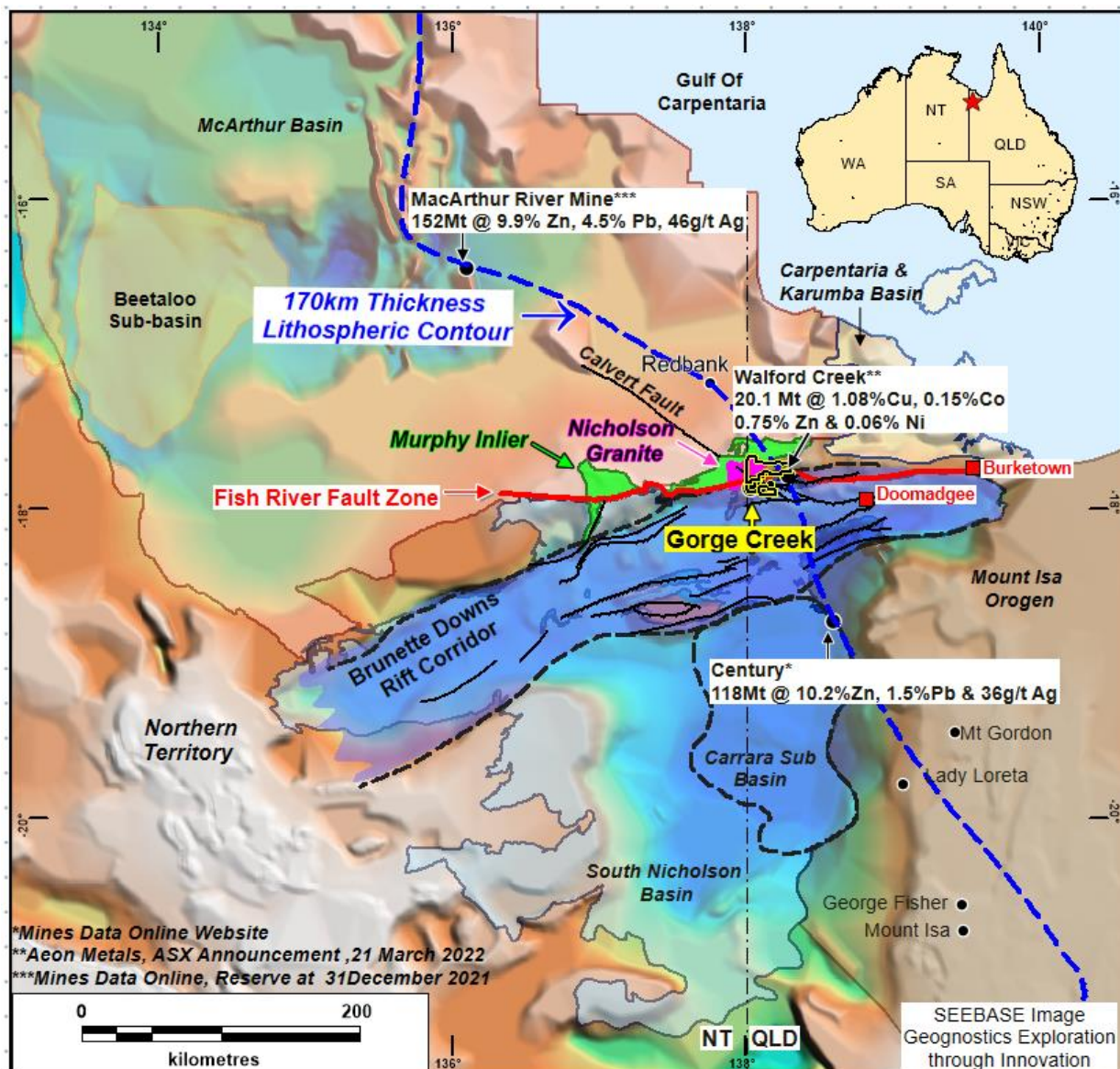


Figure 2. Key position of the Gorge Creek Project on the intersecting margin of the newly defined Brunette Downs Rift Zone, major faults and the Nicholson Granite

Unconformity related REE targets at Gorge Creek

Previous exploration by Traka and other explorers in the Gorge Creek region has highlighted the potential for unconformity related REE mineralisation. To consolidate this opportunity a large area abutting Traka's existing EPM's has been applied for (EPM 28762 Figure 3) (2). A rock-chip sample collected by Traka many years ago had 2615 ppm TREO and is observed to be on the unconformity contact of the Doomadgee Formation. Other samples by Australian Geoscience in the new EPM highlight other prospective unconformity positions extending over tens of kilometres.

Re-evaluation and field inspection of Traka's previous sample position will be undertaken at the first opportunity and collation and program of work details prepared for the new EPM area.

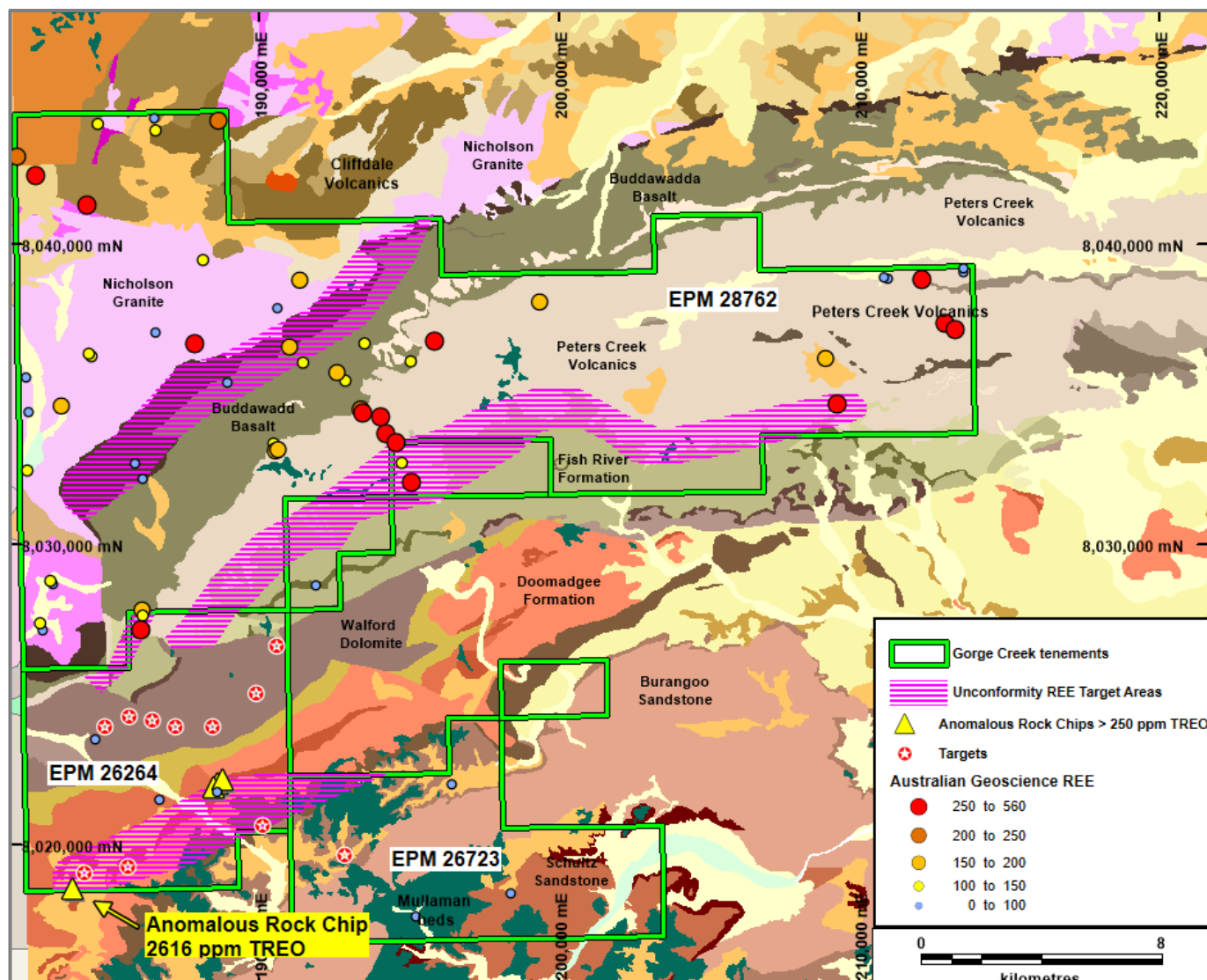


Figure 3. A geological plan showing the new EPM 28762, select sampling data and the unconformity position targeted for Unconformity Related REE mineralisation.

CRANBROOK REE PROJECT

Two of three Exploration Licence Applications (EL70/6442 and EL70/6443) have been granted on the new Cranbrook REE Project in the highly prospective Proterozoic aged Albany Fraser Orogen extending along the southern margin of the older Archean aged Yilgarn Craton (Figure 4).

Under previous tenure, sampling of surface laterite by Windward Resources and bottom of aircore holes by Anglo American highlighted anomalous levels of REE (>1000ppm TREO) which were not followed up. Furthermore, near the southern boundary of E70/6443 Narryer Metals Limited are currently drilling a potential carbonatite intrusive where previous RC drilling highlighted REE mineralisation up to 5,000 ppm TREO₍₃₎. Previous interpretation by Anglo American of public domain aeromagnetic data within Traka’s new tenement position highlighted numerous circular features indicative of late phase intrusives that may be REE bearing carbonatites within Traka’s new tenement position.

The regolith of the Cranbrook region is generally characterised by the presence of a deeply weathered lateritic profile. This profile is conducive to supergene enrichment of the REE sourced from the underlying country rocks (Biranup Gneiss Complex) and any REE bearing carbonatites intrusives.

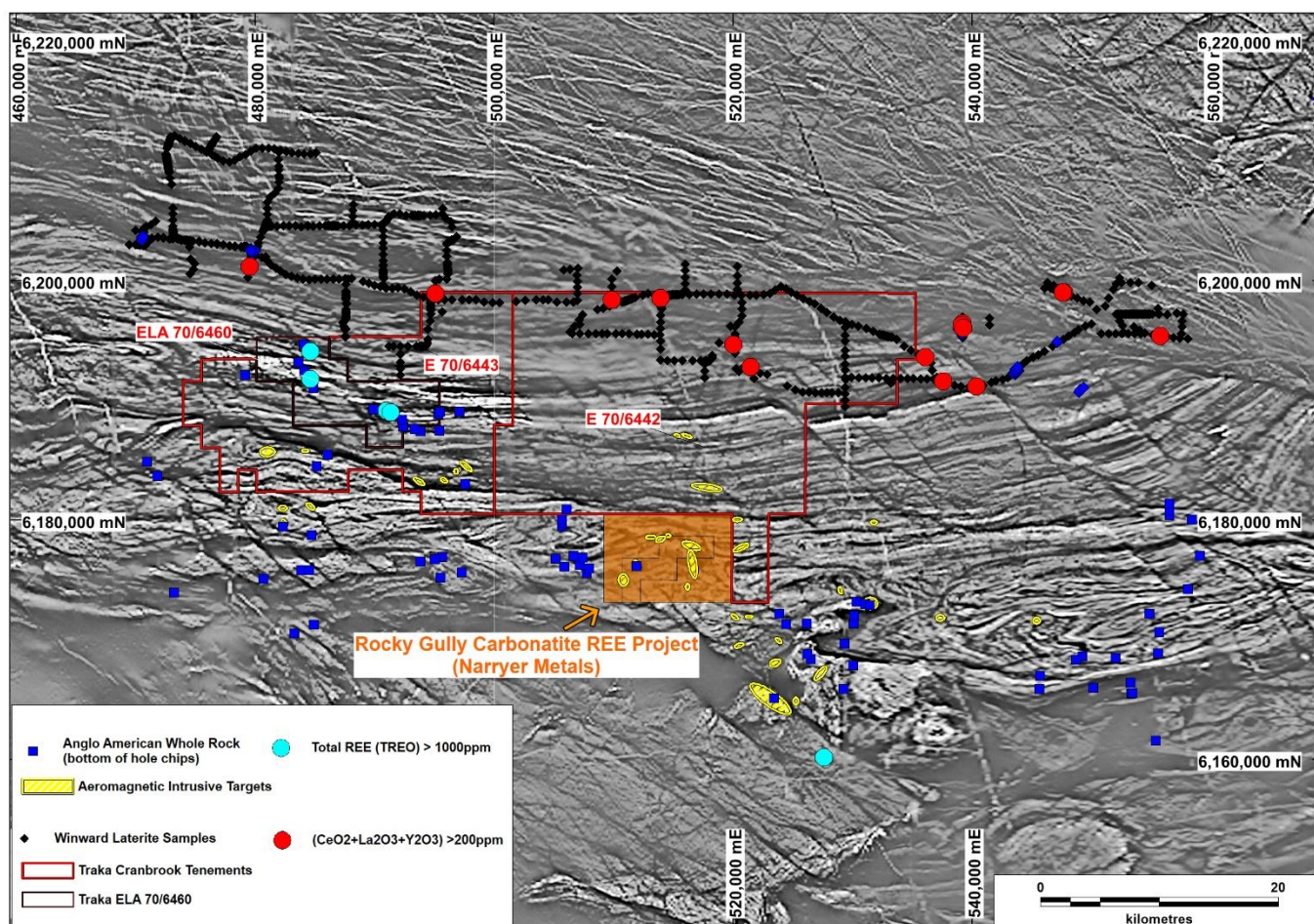


Figure 4. A grey scale aeromagnetic image showing the Cranbrook Project tenure and select historic sampling and aeromagnetic targets in the region.

MUSGRAVE PROJECT

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

PROJECT GENERATION

While the Company is busy on its existing projects ongoing efforts to identify new project opportunities remain an important objective.

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 at the Directors' discretion.

Payments to Related Parties

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

| | \$000 |
|---|-------|
| Remuneration of the Managing Director | 67 |
| Reimbursement of director expenses | 1 |
| 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

- (1) Traka ASX release 27 March 2023 – Mt Cattlin Exploration Progress Update
- (2) Traka ASX Announcement 17 May 2023 – Investor Presentation: Exploring for gold-copper and rare earths in Tier 1 locations in WA and Queensland.
- (3) Narryer Metals (ASX:NYM) ASX announcement 23 November 2022 – Investor Presentation AGM 2022

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

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")

30 June 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (832) | (1,231) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (60) | (214) |
| (e) administration and corporate costs | (118) | (431) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 4 |
| 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 | 176 | 176 |
| 1.9 Net cash from / (used in) operating activities | (833) | (1,696) |

| | | |
|--|-----|------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (2) | (10) |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

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 (12 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 | (2) | (10) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 895 | 895 |
| 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 | (78) | (107) |
| 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 | (817) | (788) |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 48 | 948 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (833) | (1,696) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (2) | (10) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (817) | 788 |

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 (12 months) \$A'000 |
|---|---|------------------------------------|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 30 | 30 |

| 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 | 30 | 48 |
| 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) | 30 | 48 |

| 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> | | |

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 |
|--|---|--|
| <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> | | |
| 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 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>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 shares (subject to shareholder approval).</p> <p>There were no changes to the terms of the facility during the current quarter.</p> | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (833) |
| 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) | (833) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 30 |
| 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) | 3,030 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 3.6 |
| <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? | |
| <p>The Company is expecting the level of administration and corporate costs to continue at the current level. Exploration cash outflows are expected to decrease as the drill program undertaken at Mt Cattlin during the quarter, has concluded.</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?

The Company is constantly reviewing its options for raising further capital to fund its operations.

The delay in the receipt of assay results from recent drilling at Mt Cattlin, has hindered the Company's ability to raise capital. Following receipt of these results, the Company anticipates being able to raise further funds as required.

As noted at 7.6 above, the Company has an ATM facility in place, to be utilised at its discretion.

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.

The remaining 20% of the EIS grant is expected to be received during the next quarter, and the \$250,000 CEI grant from the Queensland Government once drilling at Gorge Creek is completed.

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.

The Company has current negotiations in play for securing rights to a new project together with financial support, though will be subject to shareholder approval.

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 July 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.