ASX/Media Announcement

22 September 2023

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney, NSW 2000

FINANCIAL STATEMENTS AND DIRECTORS' REPORT

Attached is a copy of the Financial Statements and Directors' Report for the Company for the year ended 30 June 2023.

Authorised by the Board.

Ira Gibbs
Company Secretary

TRAKA RESOURCES LIMITED

ABN 63 103 323 173

FINANCIAL REPORT

30 JUNE 2023

Director's Report
For the year ended 30 June 2023

Traka Resources Limited (Traka or the Company) is an Australian company listed on the Australian Securities Exchange (ASX). The registered and corporate office of the Company is Suite 2, Ground Floor, 43 Ventnor Ave, West Perth, WA, 6005.

Your Directors present their report on Traka for the year ended 30 June 2023.

Directors

The following persons were directors of the Company during the financial year and up to the date of this report:

Joshua Pitt

Patrick Verbeek

George Petersons

Principal Activities

During the year the principal activity of the Company was exploration of Traka's mineral tenements.

Dividends

No dividends were paid during the year and the directors do not recommend the payment of a dividend.

Review of Operations and Likely Developments

The Company continued with exploration activities on the Mt Cattlin Gold, Copper and REE Project in the Ravensthorpe area of Western Australia and the Gorge Creek Project in north Queensland. The Company's exploration portfolio was also significantly expanded by pegging in the Cranbrook area, west of Mt Cattlin, as well as new ground immediately north and abutting the existing Gorge Creek Project. Both these projects are particularly prospective for Rare Earth Elements (REE) based on historic sampling and recent discoveries in similar geological settings within Australia.

At Mt Cattlin a program of aircore drilling to test the clay hosted REE was completed. This program highlighted the widespread presence of REE mineralisation overlying the Mt Cattlin intrusive complex. Only a portion of the drill samples has been assayed so far and ongoing interrogation of the data in combination with that of recent diamond drilling is underway. Two deep diamond drill holes, supported by a $220,000 Western Australian Exploration Incentive Scheme (EIS) grant, was completed to test the interpreted position of two buried mineralised bodies within the intrusive complex. These holes are currently being geologically logged, sampled and scanned by the Hylogger spectral scanning system.

Regarding the Gorge Creek Project, Traka has been awarded a $250,000 drilling grant under the Queensland Government Collaborative Exploration Initiative (CEI) to drill four diamond drill holes on previously defined targets. Two holes were to test the large scale flat lying lead, zinc dominant Sedimentary Exhalative (SEDEX) style targets and the two other holes were to test the copper, cobalt, lead and zinc structural targets of the Fish River Faults Zone (FRFZ). Re-statement of Access Permits in consideration of changing heritage considerations is currently being sought but not as yet resolved.

Review of Operations and Likely Developments (continued)

A considerable area of land abutting the northern boundary of the existing Gorge Creek Project was recently applied for to secure the area for newly recognised unconformity and granite hosted REE potential. This initiative followed-up on previous sampling which highlighted strongly anomalous REE rock-chip samples on the unconformity contact of the Doomadgee Formation and recent discoveries in Western Australia which highlighted more potential to the north.

The new Cranbrook Project west of Mt Cattlin overlies the rocks of the Albany Fraser Mobile Zone on the south side of the Yilgarn Craton. In recent years this zone has been recognised for its potential to host clay hosted rare earths. There is historic exploration data from surface laterites and bottom of aircore hole samples which indicate REE potential. In addition, another company on the southern boundary of the Cranbrook Project is currently drilling a carbonatite hard-rock REE target. Carbonatite rocks are the primary source of REE below the clay weathered horizon and occur as discrete intrusive bodies. These intrusive bodies are often observed as circular aeromagnetic anomalies, and in the Cranbrook Project there is a number of these.

No other project activity was undertaken during the reporting period other than the Company's continuous review of new opportunities for the Company portfolio.

Significant Changes in the State of Affairs

Other than the operating results and the issue of shares there were no significant changes in the state of affairs of the Company during the year.

Matters Subsequent to the End of the Financial Year

Subsequent to the end of the financial year, the Company received $100,000 from a company associated with director Mr Pitt to enable the Company to meet its ongoing working capital needs while it seeks a partner to complete a corporate transaction and recapitalisation plan.

To the best of the directors' knowledge and belief, there have not been any other matters or circumstances that have arisen after the balance date that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

Environmental Regulation

The Company is subject to and compliant with all aspects of environmental regulation of its exploration activities. The directors are not aware of any environmental law that is not being complied with. The National Greenhouse and Energy Reporting Act 2007 requires entities to report annual greenhouse gas emission and energy use. The directors have assessed that there are no current reporting requirements, but that the Company may be required to report in the future.

Information Relating to the Directors

Chairman – Non Executive

Joshua Pitt BSc, MAusIMM, MAIG

Mr Pitt is a geologist with extensive exploration experience who has, for more than forty years, been a director of exploration and mining companies in Australia. Mr Pitt is involved in private mineral exploration and also in substantial resource investments. He was appointed a non-executive director of Traka in July 2003 and assumed the position of non-executive chairman in December 2019. He is the executive chairman of both Hampton Hill Mining NL (appointed a director in January 1997 and chairman in April 2012) and Red Hill Minerals Limited (appointed a director in June 2005 and chairman in December 2019). He has also held the position of non-executive director of Red Metal Limited since July 2003. Mr Pitt has held no other directorships of ASX listed companies during the last three financial years.

Managing Director

Patrick Verbeek BSc, MAusIMM

Mr Verbeek is a geologist with thirty years' experience in the resource industry in Australia and internationally. Mr Verbeek's experience is wide ranging and is spread equally between mineral exploration and mining, company management and corporate activity. Mr Verbeek has held a number of senior management positions in exploration and mining operations both in open-pit and underground gold and base metal operations as well as executive directorships in private and public resource companies. Mr Verbeek is a founding director of Traka. Mr Verbeek has held no other directorships of ASX listed companies during the last three financial years.

Non Executive Director

George Petersons

Mr Petersons is an experienced prospector with a long history of identifying and acquiring prospective exploration ground. He is a founding director of Traka. He has established himself as a consultant to the industry with local and offshore mining interests in precious metals, potash and lithium. Mr Petersons is Managing Director of Mekong Mining Limited (Thailand), a company involved in exploration and project development in South East Asia. Mr Petersons has held no other directorships of ASX listed companies during the last three financial years.

Information Relating to the Company Secretary

Ira Gibbs BAcc (Hons), CA(SA)

Ms Gibbs is a Chartered Accountant with experience ranging across various industries, combined with company secretarial and corporate governance experience at listed mineral exploration companies.

Directors' Interests in Shares and Options

The numbers of shares and options in the Company held directly and indirectly by the directors as at the date of this report are as follows:

Director	Ordinary shares	Options over ordinary shares
J N Pitt	108,355,539	-
P A Verbeek	29,786,354	4,000,000
G J Petersons	2,325,331	-

MEETINGS OF DIRECTORS

The number of meetings of directors held during the year and the number attended by each of the directors were as follows:

Director	Meetings of directors	Meetings attended
J N Pitt	12	12
P A Verbeek	12	12
G J Petersons	12	12

The Company does not have any subcommittees.

Audited Remuneration Report

The information provided in this remuneration report has been audited as required by Section 308 (3C) of the Corporations Act 2001.

a) Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration policy is to ensure that:

- remuneration packages properly reflect the duties and responsibilities of the persons concerned,
- remuneration is competitive in attracting, retaining and motivating people of the highest quality, and
- remuneration is reviewed by the board on an annual basis having regard to performance and market competitiveness.

The remuneration framework has regard to shareholders' interests by:

- focusing on sustained growth in share price, as well as focusing the executives on key non-financial drivers of value, and
- attracting and retaining high calibre executives.

Audited Remuneration Report (continued)

The remuneration framework has regard to executives' interests by:

- rewarding capability and experience,
- reflecting competitive reward for contributions in shareholder growth,
- providing a clear structure for earning rewards, and
- recognising contribution.

The remuneration policy is not linked to the Company's performance and is linked to shareholder wealth only in so far as options over the Company's shares are included in remuneration.

The Company may, from time to time, engage remuneration consultations to make a remuneration recommendation in respect of any key management personnel.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees are reviewed annually and remuneration packages are determined by the board within the maximum amount approved by shareholders from time to time (currently $150,000 set in 2015) and are set fee amounts with prescribed superannuation, where applicable.

Executives

The remuneration of the managing director, Mr Patrick Verbeek, is determined by the board and comprises an agreed fee paid to Malahang Pty Ltd, a company associated with the managing director, and from time to time, at the discretion of the non-executive board members and with the approval of shareholders, the grant of options to acquire shares in the Company. The non-executive directors review terms of the managing director's remuneration on an annual basis. The nature and amount of remuneration paid to the managing director has been determined by reference to the services provided, experience, length of service and prevailing market rates.

Company performance and its consequences on shareholder wealth

It is not possible at this time to evaluate the Company's financial performance using generally accepted measures such as profitability and total shareholder return as the Company is an exploration company with no significant revenue stream. This assessment will be developed as and when the Company moves from explorer to producer.

The table below shows the gross revenue, losses and loss per share for the last five years for the Company:

		2023	2022	2021	2020	2019
Revenue and other income	$	**26,354**	1,590	16,833	275,258	21,677
Net loss	$	**1,678,751**	1,977,032	1,705,258	862,658	1,412,947
Loss per share	Cents	**0.23**	0.31	0.35	0.22	0.42
Share price at year end	Cents	**0.6**	0.6	1.5	0.7	1.3

Audited Remuneration Report (continued)

b) Details of remuneration

The key management personnel of the Company are the directors. There are no other key management personnel. The remuneration of key management personnel for the year is summarised below:

		Short term benefits	Post employment benefits	Share based payments	Total	Performance related
	Year	Salary & fees	Superannuation	Options		
		$	$	$	$	%
Non-executive directors						
J N Pitt	**2023**	**60,000**	**6,300**	**-**	**66,300**	**-**
	2022	40,000	4,000	-	44,000	-
G J Petersons	**2023**	**30,000**	**3,150**	**-**	**33,150**	-
	2022	25,000	2,500	-	27,500	-
Managing director						
P A Verbeek	**2023**	**270,000**	**-**	**7,800**	**277,800**	**-**
	2022	260,000	-	18,800	278,800	-
Total	**2023**	**360,000**	**9,450**	**7,800**	**377,250**	
	2022	325,000	6,500	18,800	350,300	

The options granted to the managing director during the year represented 2.8% of his total remuneration for the year. No part of the remuneration of key management personnel is contingent upon the performance of the Company.

c) Service agreements

Managing Director

The Company entered into a consultancy agreement with Malahang Pty Ltd (Malahang) on 14 Oct 2003 (Malahang Agreement). In accordance with the terms of the Malahang Agreement, Malahang agreed to provide the services of its employee, 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 Malahang 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 2024 and may be extended by mutual written agreement at any time during or after the term. The current level of remuneration in terms of this agreement is set at $270,000 per annum. Mr Verbeek is reimbursed for the use of his four-wheel-drive motor vehicle on an as-claimed basis. There are no guaranteed fee increases fixed in the managing director's contract. There are no termination arrangements in respect of Mr Verbeek's engagement other than the expectation that Malahang would receive 6 months' fees in the event of his services being terminated by the Company.

Audited Remuneration Report (continued)

d) Share-based compensation

Directors and other key management personnel are entitled to take part in the Traka Resources Employee Share Option Plan. Share based payments are made at the discretion of the board of directors in the context of the overall remuneration package of the personnel. Directors receiving share-based payments are not involved in any board discussions regarding their remuneration.

Share based payments are generally provided in the form of options vesting immediately. Options granted under the plan carry no dividend or voting rights. Each option is convertible into one ordinary share. The issue of these options is not linked to past company performance since their principal purpose is to promote additional incentive to the key management personnel. There is no specific board policy restricting employees from taking action to limit their exposure to risk in relation to share based payments. Nevertheless, in terms of the Company's corporate governance policies, all employees are prohibited from dealing in the Company's securities when they possess inside information and they are obliged to inform the board of any proposed transactions in securities.

The basic terms and conditions of each grant of options affecting key management personnel remuneration in the previous, current or future reporting periods are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price cents	Value per option At grant date	Number of options
29 Nov 2019	29 Nov 2019	28 Nov 2022	1.03	0.42 cents	2,000,000
30 Nov 2021	30 Nov 2021	29 Nov 2024	1.63	0.94 cents	2,000,000
25 Nov 2022	25 Nov 2022	24 Nov 2025	0.80	0.39 cents	2,000,000

During the year 2,000,000 options expired on 28 November 2022 and 2,000,000 options were issued on 25 November 2022. No options were exercised.

Details of the options in the Company provided as remuneration to key management personnel of the Company are set out below. Further information on options is set out in Note 20 to the financial statements.

	Balance at beginning of year	Received as remuneration	Options expired	Balance at end of year
J N Pitt	-	-	-	-
P A Verbeek	4,000,000	2,000,000	(2,000,000)	4,000,000
G J Petersons	-	-	-	-

Audited Remuneration Report (continued)

e) Shares held by key management personnel

The numbers of shares in the Company held directly and indirectly by key management personnel and any movements over the year, are set out below.

	Balance at beginning of year	Acquired	Disposed	Other	Balance at end of year
J N Pitt	56,661,250	51,694,289	-	-	108,355,539
P A Verbeek	24,821,962	4,964,392	-	-	29,786,354
G J Petersons	2,325,331	-	-	-	2,325,331

f) Transactions with key management personnel

Payments to related parties

During the financial year, the Company paid $1,240 (2022: nil) to Red Hill Minerals Limited, a listed company of which Mr Pitt is a director and shareholder, for staff amenities paid for on behalf of the Company on normal commercial terms and conditions determined on an arms-length basis.

During the financial year, the Company paid $10,710 (2022: $10,200) to the PAV Unit Trust, a trust associated with Mr Verbeek, in respect of a storage unit for exploration equipment and documents. This rental agreement was entered into on normal commercial terms and conditions determined on an arms'-length basis between the parties.

Loans to key management personnel

The Company has not made any loans to key management personnel during the year.

There were no other transactions with key management personnel and related parties during the year other than those reported in Note 18.

g) Additional Information

Voting and comments at the Company's 2022 Annual General Meeting (AGM)

The Company received a majority of votes in favour of its remuneration report for the 2022 financial year at its Annual General Meeting (AGM). The Company did not receive any specific comments on its remuneration practices at the AGM or throughout the year.

The audited remuneration report ends here.

Insurance of Officers

During the year the Company paid an amount to insure all current directors of the Company and current executive officers of the Company against liabilities arising out of their conduct whilst acting in the capacity of a director or officer of the Company other than conduct involving a wilful breach of duty to the Company. The policy requires that the amount of premium paid and the limits imposed remain confidential.

Shares Under Option

The numbers of options on issue at the date of this report are as follows:

Grant date	Expiry date	Issue price of shares	Number under option	Percent vested
30 November 2021	29 November 2024	1.63 cents	2,000,000	100%
7 June 2022	24 May 2025	1.30 cents	650,000	100%
25 November 2022	24 November 2025	0.80 cents	2,000,000	100%

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not party to any such proceedings during the year.

Audit Committee

The Company is not of a size nor are its financial affairs of such complexity to justify a separate audit committee of the board of directors. All matters that might properly be dealt with by such a committee are the subject of scrutiny at full board meetings.

Non-Audit Services

HLB Mann Judd (WA Partnership) (HLB), the Company's auditor, did not perform any non-audit services for the Company for the year ended 30 June 2023.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by Section 307C of the Corporations Act 2001 is included in this Financial Report. HLB holds office in accordance with section 327C (2) of the Corporations Act 2001.

This report is made in accordance with a resolution of the directors.

JOSHUA PITT

Chairman

22 September 2023

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	2023 $	2022 $
Revenue from continuing operations	2	**3,589**	1,590
Other income	2	**22,765**	-
Exploration and evaluation expenditure	4	**(1,075,205)**	(1,316,124)
Administration expenses	3	**(629,900)**	(662,498)
Loss before income tax		**(1,678,751)**	(1,977,032)
Income tax expense	5	**-**	-
Loss for the year		**(1,678,751)**	(1,977,032)
Other comprehensive income for the year		**-**	-
Total comprehensive loss for the year attributable to the ordinary equity holders of the Company		**(1,678,751)**	(1,977,032)
Loss per share attributable to the ordinary equity holders of the Company		**Cents**	Cents
Basic and diluted loss per share	6	**(0.23)**	(0.31)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 30 June 2023

	Notes	2023 $	2022 $
Current assets			
Cash and cash equivalents	7	**30,069**	947,695
Trade and other receivables	8	**95,496**	27,158
Total current assets		**125,565**	974,853
Non-current assets			
Plant and equipment	9	**10,256**	4,789
Total non-current assets		**10,256**	4,789
Total assets		**135,821**	979,642
Current liabilities			
Trade and other payables	10	**181,490**	143,212
Provisions	11	**11,341**	9,852
Total current liabilities		**192,831**	153,064
Total liabilities		**192,831**	153,064
(Net liabilities)/Net assets		**(57,010)**	826,578
Equity			
Issued capital	12	**23,331,420**	22,544,057
Reserves	13	**886,353**	878,553
Accumulated losses		**(24,274,783)**	(22,596,032)
(Net deficiency)/Total equity		**(57,010)**	826,578

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the year ended 30 June 2023

	Issued capital	Share based payments reserve	Exercised option reserve	Accumulated losses	(Net deficiency) / Total equity
	$	**$**	**$**	**$**	**$**
2023					
As at 1 July 2022	**22,544,057**	**758,494**	**120,059**	**(22,596,032)**	**826,578**
Loss for the year	**-**	**-**	**-**	**(1,678,751)**	**(1,678,751)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,678,751)**	**(1,678,751)**
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares, net of transaction costs	**787,363**	**-**	**-**	**-**	**787,363**
Share based payments	**-**	**7,800**	**-**	**-**	**7,800**
As at 30 June 2023	**23,331,420**	**766,294**	**120,059**	**(24,274,783)**	**(57,010)**
2022					
As at 1 July 2021	20,273,629	736,509	120,059	(20,619,000)	511,197
Loss for the year	-	-	-	(1,977,032)	(1,977,032)
Total comprehensive loss for the year	-	-	-	(1,977,032)	(1,977,032)
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares, net of transaction costs	2,270,428	-	-	-	2,270,428
Share based payments	-	21,985	-	-	21,985
As at 30 June 2022	22,544,057	758,494	120,059	(22,596,032)	826,578

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows
For the year ended 30 June 2023

	Notes	2023 $	2022 $
Cash flows from operating activities			
Interest received		**3,767**	1,465
Interest paid		**-**	(825)
Payments to suppliers and employees		**(635,098)**	(612,355)
Payments for exploration activities		**(1,236,621)**	(1,285,438)
Receipt of government co-funding for exploration		**176,000**	25,079
Net cash outflows from operating activities	14	**(1,691,952)**	(1,872,074)
Cash flows from investing activities			
Payments for plant, equipment and motor vehicle		**(13,037)**	(47,499)
Net cash outflows from investing activities		**(13,037)**	(47,499)
Cash flows from financing activities			
Proceeds from share issue	12	**895,328**	2,419,000
Payments for share issue costs	12	**(107,965)**	(148,572)
Net cash inflows from financing activities		**787,363**	2,270,428
Net (decrease) / increase in cash and cash equivalents held		**(917,626)**	350,855
Cash and cash equivalents at the beginning of the financial year		**947,695**	596,840
Cash and cash equivalents at the end of the financial year	7	**30,069**	947,695

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTE 1: SEGMENT INFORMATION

Management has determined that the Company has one reportable operating and geographical segment, being mineral exploration within Australia. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the members of the board of directors. The board of directors monitors the Company based on actual versus budgeted exploration expenditure. This internal reporting framework is the most relevant to assist the board with making decisions regarding its ongoing exploration activities.

NOTE 2: REVENUE AND OTHER INCOME	2023 $	2022 $
Revenue from continuing operations		
Interest received	**3,589**	1,590
Other income		
Other	**22,765**	-

Revenue is measured at the fair value of the consideration received or receivable. Interest income is brought to account as income over the term of each financial instrument on an effective interest rate basis. Other revenue is recognised as it accrues. Government co-funding for exploration is offset against exploration and evaluation expenditure in the Statement of Profit or Loss and Other Comprehensive Income.

NOTE 3: ADMINISTRATION EXPENSES	2023 $	2022 $
Loss before income tax includes the following administration expenses:		
Personnel expenses		
Salaries, directors' and management fees, other staff costs	**613,135**	575,477
Superannuation	**35,473**	31,658
Share based payments	**7,800**	21,985
Less: included as part of exploration expenditure	**(342,275)**	(321,174)
	314,133	307,946

NOTE 3: ADMINISTRATION EXPENSES (continued)	**2023** **$**	2022 $
Depreciation	**2,715**	2,264
Other expenses		
Rental of office and storage	**44,213**	38,876
Company secretarial and accounting	**69,632**	66,872
Audit	**31,045**	22,983
Communications	**23,745**	24,279
Listing fees	**18,926**	28,455
Remuneration consultant	**-**	18,000
Public relations and conferences	**56,834**	78,759
Other	**68,657**	74,064
	629,900	662,498

Rental of office and storage space is expensed to profit or loss as incurred as the Company has elected to utilise the exemption in paragraph 5 of AASB16 Leases relating to short term leases.

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE	**2023** **$**	2022 $
Exploration and evaluation expenditure incurred	**1,251,205**	1,341,203
less Government co-funding for exploration	**(176,000)**	(25,079)
	1,075,205	1,316,125

Expenditure incurred during exploration and early evaluation stages of areas of interest is written off as incurred.

Once a decision to proceed to development has been taken, all further expenditure incurred relating to the area will be capitalised. Expenditure on acquisition of an area of interest is only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

NOTE 4 EXPLORATION AND EVALUATION EXPENDITURE (continued)

Accumulated costs in relation to an abandoned area are written off to profit or loss in the year in which the decision to abandon the area is made. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTE 5: INCOME TAX	2023 $	2022 $
a) Income tax benefit		
The components of income tax benefit comprise:		
Current tax	**-**	-
Deferred tax	**-**	-
	-	-
b) Reconciliation of income tax benefit to prima facie tax benefit on accounting loss		
Operating loss before income tax	**(1,678,751)**	(1,977,032)
Prima facie tax benefit at the Australian rate of 30% (2022: 30%)	**503,625**	593,110
Adjusted for tax effect of the following amounts:		
Non-deductible items	**(2,771)**	(7,075)
Non-taxable items	**24,180**	27,349
Adjustment for change in tax rate	**-**	906,306
Income tax benefit not brought to account	**(525,034)**	(1,519,690)
Income tax benefit	**-**	-

The credit for current income tax benefit is based on the loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

NOTE 5: INCOME TAX (continued)

c) Deferred tax assets and liabilities not brought to account

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end, at the full corporate tax rate of 30% (2022: 30%) are made up as follows:

	2023	2022
	$	$
On income tax account:		
Carried forward tax losses	**6,471,462**	5,938,646
Deductible temporary differences	**104,792**	112,627
Taxable temporary differences	**-**	(53)
Unrecognised net deferred tax assets	**6,576,254**	6,051,220

NOTE 6: LOSS PER SHARE	**2023**	2022
	Cents	Cents
Basic and diluted loss per share	**0.23**	0.31
Reconciliation of loss	**$**	$
The loss used in calculating the basic and diluted loss per share is equal to the loss attributable to ordinary equity holders of the Company	**1,678,751**	1,977,032
	No of Shares	No of Shares
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted loss per share	**737,771,713**	639,672,346

The weighted average number of ordinary shares used in calculating basic and diluted loss per share is derived from the fully paid ordinary shares on issue.

Basic loss per share is determined by dividing the loss from ordinary activities after income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share adjusts the figures used in determination of basic loss per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year. The diluted loss per share is the same as the basic loss per share on account of the Company’s potential ordinary shares (in the form of options) not being dilutive because their conversion to ordinary shares would not increase the loss per share.

NOTE 7: CASH AND CASH EQUIVALENTS	2023 $	2022 $
Cash at bank and on hand	**30,069**	947,695

Cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which is readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 24.

NOTE 8: TRADE AND OTHER RECEIVABLE	2023 $	2022 $
Other receivables	**95,496**	26,928
Prepayments	**-**	52
Interest receivable	**-**	178
	95,496	27,158

Interest receivable comprises pro-rata interest receivable at balance date in respect of deposits at call which are expected to be repaid within 90 days. Other receivables relate to amounts recoverable from the Australian Taxation Office in respect of goods and services tax (GST) and cash flow boost grants.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 24.

NOTE 9: PLANT AND EQUIPMENT	2023 $	2022 $
Field equipment – at cost	**152,237**	**152,237**
Accumulated depreciation	**(152,237)**	**(152,237)**
Field equipment – carrying amount	**-**	**-**
Office furniture and equipment – at cost	**86,970**	**80,605**
Accumulated depreciation	**(76,714)**	**(75,816)**
Office furniture and equipment – carrying amount	**10,256**	**4,789**

NOTE 9: PLANT AND EQUIPMENT (continued)	2023 $	2022 $
Motor vehicle – at cost	89,835	89,835
Accumulated depreciation	(89,835)	(89,835)
Motor vehicle – carrying amount	-	-
Total plant and equipment – carrying amount	10,256	4,789

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year is set out below:

	Field equipment $	Office furniture & equipment $	Motor Vehicle $	Total $
2023				
Carrying amount at 1 July 2022	-	4,789	-	4,789
Additions during the year	-	8,182	-	8,182
Depreciation expense	-	(2,715)	-	(2,715)
Carrying amount at 30 June 2023	-	10,256	-	10,256
2022				
Carrying amount at 1 July 2021	2,198	-	-	2,198
Additions during the year	-	4,855	-	4,855
Depreciation expense	(2,198)	(66)	-	(2,264)
Carrying amount at 30 June 2022	-	4,789	-	4,789

Recognition and measurement

Plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of these assets.

NOTE 9: PLANT AND EQUIPMENT (continued)

Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost or revalued amount of each item of plant and equipment over its expected useful life to the Company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The depreciation rates used for the current and comparative periods are as follows:

Plant and equipment:	10% - 20% straight line
Motor vehicle:	12.5% straight line

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

NOTE 10: TRADE AND OTHER PAYABLES	2023 $	2022 $
Trade creditors and accruals	**145,782**	113,853
Employee entitlements	**35,708**	29,359
	181,490	143,212

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. The Company's exposure to liquidity risk is disclosed in Note 24.

Employee entitlements include accruals for annual leave. The entire obligation is presented as current since the Company does not have an unconditional right to defer settlement. However, it is possible that some employees may not take the full amount of their accrued leave during the next 12 months.

NOTE 11: PROVISIONS	2023 $	2022 $
Current Long service leave	**11,341**	9,852
Non-current Long service leave	**-**	-
Movement in provisions during the financial year, is as follows:		
Carrying amount at beginning of year	**9,852**	19,398
Increase/(Decrease) in entitlement	**1,489**	(9,546)
Carrying amount at end of year	**11,341**	9,852

NOTE 11: PROVISIONS (continued)

The provision for long service leave includes the unconditional entitlement to long service leave where employees have completed the required period of service or are entitled to pro-rata payments in certain circumstances.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required minimum period of service. The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departure and period of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 12: ISSUED CAPITAL	2023 $	2022 $
a) Share capital		
871,329,277 (2022: 688,774,561) fully paid ordinary shares	**23,331,420**	22,544,057

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company's capital risk management policy is set out in Note 24.

b) Movements in ordinary share capital during the past two years:

	2023 **No of shares**	2022 No of shares	**2023** **Amount** **$**	2022 Amount $
At 1 July	**688,774,561**	506,465,068	**22,544,057**	20,273,629
Issue of ordinary shares:				
Placements	**-**	138,095,238	**-**	1,800,000
Share Purchase Plan	**-**	44,214,255	**-**	619,000
Collateral for At-the-market facility	**34,000,000**	-	**-**	-
Entitlement issue	**144,554,716**	-	**867,328**	-
Services rendered	**4,000,000**	-	**28,000**	-
Capital raising costs	**-**	-	**(107,965)**	(148,572)
At 30 June	**871,329,277**	688,774,561	**23,331,420**	22,544,057

NOTE 12: ISSUED CAPITAL (continued)

During the current year the Company concluded a non-renounceable 1 for 5 pro rata issue of ordinary shares, issuing 144,554,912 shares at 0.6 cents each.

The Company also entered into an At-The-Market subscription facility providing up to $3 million of standby equity capital over the next 3 years. 34,000,000 ordinary shares were issued as collateral under this agreement at no consideration.

A further 4,000,000 ordinary shares were issued during the year as consideration for investor relations, corporate advisory and capital raising services rendered.

c) Options to acquire ordinary shares

Set out below is a summary of unlisted options to acquire ordinary shares in the Company, issued in terms of the Company's Employee Share Option Plan.

Type of options	Expiry date	Exercise price	2023 No of options	2022 No of options
Director options	28 Nov 2022	1.03 cents	-	2,000,000
Director options	29 Nov 2024	1.63 cents	2,000,000	2,000,000
Staff options	24 May 2025	1.30 cents	650,000	650,000
Director options	24 Nov 2025	0.80 cents	2,000,000	-
	Total		4,650,000	4,650,000

Details of share-based payments are set out in Note 20.

d) Rights attaching to ordinary shares

Ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares being held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. The ordinary fully paid shares are listed on the ASX and carry no trade restrictions.

NOTE 13: RESERVES	2023 $	2022 $
Share-based payments reserve	**766,294**	758,494
Exercised option reserve	**120,059**	120,059
	886,363	878,553

The share-based payments reserve is used to recognise the fair value of options issued.

The exercised option reserve arises on the exercise of options when the share-based payments reserve attributable to the options being exercised is transferred to this reserve.

NOTE 14: CASH FLOW INFORMATION	2023 $	2022 $
Reconciliation of operating loss after income tax to net cash flows from operating activities:		
Operating loss after income tax	**(1,678,751)**	(1,977,032)
Depreciation	**2,715**	2,264
Equity-based payments	**7,800**	21,985
Decrease/(increase) in receivables	**(68,823)**	4,763
Increase/(decrease) in payables and provisions	**45,107**	75,946
Net cash outflows from operating activities	**(1,691,952)**	(1,872,074)

There were no non-cash flows from financing and investing activities.

NOTE 15: BORROWINGS

During the current year, the Company entered into an At-the-Market subscription facility (ATM) providing it with up to $3 million of standby equity over the next 3 years, and issued 34 million shares as collateral under the agreement. The ATM provides sole discretion to the Company as to whether or not to utilise it, the number of shares to be issued, the minimum issue price of the shares and the timing of each subscription. There is no obligation for the Company to utilise the ATM and it can be terminated at any time without cost or penalty. No amount of the facility has been utilised.

NOTE 16: CONTINGENCIES

The directors are not aware of any material contingent liabilities at 30 June 2023.

NOTE 17: COMMITMENTS

a) Lease commitments

Although AASB16 Leases applies to the Company's lease of office space from 1 July 2019, the Company has elected to utilise the exemption in paragraph 5 of AASB16 relating to short term leases with terms of 12 months or less. Consequently, no further lease commitments are recognised.

b) Remuneration commitments	**2023** **$**	2022 $
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities payable:		
Not later than one year	**135,000**	**135,000**
Later than one year but not later than five years	**-**	**-**
Later than five years	**-**	**-**
	135,000	**135,000**

c) Exploration commitments

In order to maintain the mineral tenements in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. This represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined. The current year minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Mines, Industry Regulation and Safety and the Queensland Department of Natural Resources, Mines and Energy for the next financial year is $528,600 (2022: $525,000).

NOTE 18: RELATED PARTY TRANSACTIONS

a) Key management personnel

The key management personnel of the Company are the directors.

Directors of the Company during the financial year were:

Joshua Pitt

Patrick Verbeek

George Petersons

NOTE 18: RELATED PARTY TRANSACTIONS (continued)

The compensation paid to key management personnel during the year is set out below:

	2023 **$**	2022 $
Short term employee benefits	**360,000**	325,000
Post-employment benefits	**9,450**	6,500
Share based payments	**7,800**	18,800
	377,250	350,300

Further information regarding the identity of key management personnel and their compensation can be found in the audited Remuneration Report contained in the Directors' Report.

b) Director-related entities

During the financial year the Company paid $10,710 (2022: $10,200) to the PAV Unit Trust, a trust associated with Mr Verbeek, in respect of a storage unit for exploration equipment and documents. This rental agreement was entered into on normal commercial terms and conditions determined on an arm's-length basis between the entities.

During the financial year, the Company paid $1,240 (2022: nil) to Red Hill Minerals Limited, a listed company of which Mr Pitt is a director and shareholder, for staff amenities paid for on behalf of the Company on normal commercial terms and conditions determined on an arms-length basis.

NOTE 19: INTERESTS IN JOINT VENTURES

Name of project	**Interest**	**Activities**	**Other parties**
Ravensthorpe Project (Bandalup Gossan JV)	20%	Gold and base metal exploration	Medallion Metals Limited

The Company's mineral exploration agreements with third parties do not constitute separate legal entities. They are contractual agreements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit.

The agreements are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs in proportion to their ownership of joint venture assets. The parties to the agreement do not hold any assets other than their title to the mineral tenements and accordingly the company's share of exploration expenditure is accounted for in accordance with the policy set out in Note 4.

NOTE 20: SHARE-BASED PAYMENTS

The Traka Resources Limited Employee Share Option Plan (ESOP) was adopted by the Company for the purpose of recognising the efforts of, and providing incentive to, employees of the Company. A summary of terms and conditions of the ESOP is set out below:

- Under the ESOP the Company may offer options to subscribe for shares in the Company to eligible persons. Directors and part-time or full-time employees are eligible persons for the purpose of the ESOP.
- The board of directors has discretion to determine who and to what extent an eligible person is entitled to participate in the ESOP.
- Options under the ESOP are to be offered on such terms as the board determines and the offer must set out the number of options offered, the exercise price and the period of the offer. Exercise price is determined by the board with reference to the market value of the shares of the Company at the time of resolving to offer the options. The period of the offer will be no longer than five years.
- No consideration is payable for the options unless the board determines otherwise and the Company will not apply for quotation of the options.
- The options are exercisable in whole or part, and shares will be issued within 10 business days of the receipt of notice of exercise and payment in full of the exercise price.
- If an option holder ceases to be an eligible person prior to the earliest date for exercise of their options for any other reason than retirement at age 60 or over, permanent disability, redundancy or death, the options will automatically lapse. If an option holder ceases to be an eligible person after the earliest date for exercise of their options for any other reason than retirement at age 60 or over, permanent disability, redundancy or death, the options will lapse after three months.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is independently determined using an option pricing model that takes into account the price, term, vesting and performance criteria, impact of dilution, non-tradeable nature of the unlisted options, share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term.

NOTE 20: SHARE-BASED PAYMENTS (continued)

Set out below is a summary of the movement of options on issue during the current and prior years:

Grant date	Expiry date	Exercise price	Outstanding at start of year	Granted	Exercised/ Expired	Outstanding at end of year
		Cents	Number	Number	Number	Number
2023						
29 Nov 2019	**28 Nov 2022**	**1.03**	**2,000,000**	**-**	**(2,000,000)**	**-**
30 Nov 2021	**29 Nov 2024**	**1.63**	**2,000,000**	**-**	**-**	**2,000,000**
7 Jun 2022	**24 May 2025**	**1.30**	**650,000**	**-**	**-**	**650,000**
25 Nov 2022	**24 Nov 2025**	**0.80**	**-**	**2,000,000**	**-**	**2,000,000**
Vested and exercisable at 30 June			**4,650,000**	**2,000,000**	**(2,000,000)**	**4,650,000**
Weighted average exercise price (cents)			**1.33**	**-**	**-**	**1.23**
2022						
29 Nov 2019	28 Nov 2022	1.03	2,000,000	-	-	2,000,000
8 Apr 2019	4 Apr 2022	1.75	650,000	-	(650,000)	-
17 Jul 2018	16 Nov 2021	4.67	2,000,000	-	(2,000,000)	-
30 Nov 2021	29 Nov 2024	1.63	-	2,000,000	-	2,000,000
7 Jun 2022	24 May 2025	1.30	-	650,000	-	650,000
Vested and exercisable at 30 June			4,650,000	2,650,000	(2,650,000)	4,650,000
Weighted average exercise price (cents)			2.70	-	-	1.33

The vesting expense of the options that expired during the prior year was $8,460. No options were exercised during the current year.

NOTE 20: SHARE-BASED PAYMENTS (continued)

The assessed fair value of the options issued during the year was $7,800 (2022: $21,985) as calculated at the date of grant using the Black-Scholes model for valuation of call options, the inputs of which included:

	Director options
No of options	2,000,000
Grant date	25 Nov 2022
Exercise by	24 Nov 2025
Expected average life of options	3 years
Exercise price per share	0.80 cents
Share price at grant date	0.60 cents
Expected volatility	116%
Risk-free interest rate	3.22%
Value of options at grant date, per option	0.39 cents

Further details regarding any share-based payments to key management personnel can be found in the audited Remuneration Report set out in the Directors' Report.

NOTE 21: AUDITOR REMUNERATION	**2023** **$**	2022 $
Amounts received, or due and receivable, by HLB Mann Judd (WA Partnership) for:		
Audit and review of the financial reports of the Company	**31,045**	22,983

NOTE 22: EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to the end of the financial year, the Company received $100,000 from a company associated with director Mr Pitt to enable the Company to meet its ongoing working capital needs while it seeks a partner to complete a corporate transaction and recapitalisation plan.

To the best of the directors' knowledge and belief, there have not been any other matters or circumstances that have arisen after balance date that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

NOTE 23: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates – share-based payments

Historical volatility was used as the basis for estimating likely future share price volatility. Actual future volatility may differ from the estimate used. The expected average life of the options was estimated at 3 years. The actual life could differ from this estimate if the holder of the options chooses to exercise his options prior to their expiry date. The weighted average remaining contractual life of the options on issue is 1.91 years (2022: 1.62 years).

NOTE 24: FINANCIAL RISK MANAGEMENT

The Company, in its normal course of business, is exposed to financial risks comprising liquidity risk, market risk (essentially interest rate risk) and credit risk.

The directors have overall responsibility for the Company's management of these risks and seek to minimise these risks through ongoing monitoring and review of the adequacy of the risk management framework in relation to the risks encountered by the Company.

a) Liquidity risk

The Company has no significant exposure to liquidity risk as the Company's only debt is that associated with trade creditors in respect of which the Company's policy is to ensure payment within 30 days. The Company manages its liquidity by monitoring forecast cash flows.

b) Credit risk

The Company's only exposure to credit risk arises from having its cash assets, including security deposits, all deposited at one bank. The Company manages this minimal exposure by ensuring its funds are deposited only with a major Australian bank with high security ratings. The Company manages its minimal exposure to credit risk from its other receivables by ensuring prompt collection of those receivables.

c) Capital risk management

The Company's objective in managing capital, which consists of equity capital and reserves less accumulated losses to date, is to safeguard its ability to continue as a going concern, so that it can continue to explore for minerals with the ultimate objective of providing returns for shareholders whilst maintaining an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets, or farm out joint venture interests in its projects.

NOTE 24 FINANCIAL RISK MANAGEMENT (continued)

d) Market risk

Interest rate risk

The Company's market risk exposure is to Australian money market interest rates in respect of its cash assets. The risk is managed by monitoring the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of its cash assets and the interest rate return. The weighted average interest rate to which the Company was exposed on its cash assets at the year-end was 0.0% (2022: 0.14%).

The sensitivity analysis below has been determined based on the interest rate risk of the company's cash assets. The Company has no interest rate risk associated with any of its other financial assets or liabilities. This analysis reflects the effect of a 0.5% decrease or increase in interest rates and represents management's assessment of the change in interest rates possible over the next 12 months.

At balance date, if interest rates had been 0.5% higher or lower and all other variables were held constant, the Company's profit or loss would increase/decrease by $150 (2022: $4,738) with no effect (2022: nil) on other components of equity.

NOTE 25: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements that relate specifically to matters dealt with in the preceding notes, are set out in the relevant notes. The more general accounting policies not already set out above are listed below.

The accounting policies have been consistently applied to all the years presented unless otherwise stated.

a) Statement of compliance and basis of preparation

The financial report was authorised for issue by the Board of Directors.

The financial report complies with the Corporations Act 2001 and Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS). The Company is a for-profit entity for the purpose of applying these standards.

The financial statements have been prepared on an accruals basis and are based on historical costs.

Going concern

During the year ended 30 June 2023, the Company incurred a net loss of $1,678,751 and, at balance date, the Company's current liabilities exceeded current assets by $67,266.

The financial statements have been prepared on the going concern basis of accounting which assumes that the Company will be able to meet its commitments as and when they fall due. In arriving at this assumption, the directors recognise that the Company is dependent upon funding alternatives to meet these ongoing commitments, including capital raisings and/or the realisation of assets.

NOTE 25: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company has an At-The-Market subscription facility in place (Note 15) providing up to $3 million of standby equity, having issued 34 million shares as collateral under the agreement that may be utilised at the current share price. The non-executive directors and the managing director have agreed to defer the payment of their respective directors' and management fees to support the Company while it seeks a partner to complete a corporate transaction and recapitalisation plan and, whilst the fees continue to accrue, will not seek payment thereof to the detriment of the Company's going concern position. Subsequent to the end of the financial year, a company associated with director, Mr Pitt, has provided short term working capital of $200,000 to the Company, of which $100,000 has been received to date, to assist in meeting ongoing working capital requirements. The Company may dispose of assets as required and had implemented cost saving measures to preserve its working capital.

In the event that the Company does not achieve the matters as set out above, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability and classification of recorded assets amounts nor to the amounts and classifications of liabilities that might be necessary should it not continue as a going concern.

b) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefits obligations

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

c) Financial assets and liabilities

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out in the relevant notes. The carrying value of financial assets and liabilities approximates their fair value.

d) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any objective evidence that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis except for the GST components of investing or financing activities, which are presented as operating cash flow.

f) Accounting standards and interpretations

New accounting standards and interpretations adopted

In the year ended 30 June 2023, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the reporting periods beginning on or after 1 July 2022.

As a result of this review, the directors have determined that there is no material impact of any new and revised Standards and Interpretations issued on the Company and therefore no material change is necessary to accounting policies.

New accounting standards and interpretations in issue, not yet adopted

The directors have also reviewed all of the new and revised Standards and Interpretations issued, but not yet effective, that are relevant to the Company and effective for the reporting periods beginning on or after 1 July 2022.

As a result of this review, the directors have determined that there is no material impact on the Company for any new and revised Standards and Interpretations, but not yet effective, and therefore no material change is necessary to accounting policies.

Directors' Declaration
For the year ended 30 June 2023

1. In the opinion of the Directors of Traka Resources Limited (the Company):

    a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

        i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year then ended; and

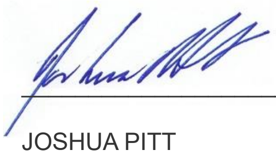
        ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

    b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

    c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

This declaration is signed in accordance with a resolution of the board of Directors.



JOSHUA PITT

Chairman

22 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Traka Resources Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

David Healy

Perth, Western Australia
22 September 2023

D B Healy
Partner

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INDEPENDENT AUDITOR'S REPORT
To the Members of Traka Resources Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Traka Resources Limited ("the Company") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 25(a) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined there are no key audit matters to be communicated in our report.

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Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2023, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Traka Resources Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 September 2023

David Healy

D B Healy
Partner