

30 October 2023

## September 2023 QUARTERLY ACTIVITIES REPORT

### KEY POINTS:

#### MT CATTLIN GOLD-COPPER-REE PROJECT, WA

- Two deep diamond drill holes into the Mt Cattlin Intrusive Complex intersected multiple hydrothermally altered zones with minor disseminated and veinlet sulphides on the margins of porphyry intrusives
- Geological studies are underway on the core to enable construction of a 3D geological model
- Air-core drilling results indicate wide-spread clay hosted REE mineralisation over the Mt Cattlin Intrusive Complex

#### THE GORGE CREEK PROJECT, QLD

- The drilling of previously defined base metal targets has been deferred to the next field season to coincide with planned exploration on Unconformity and Granite hosted REE mineralisation.

#### THE CRANBROOK PROJECT, QLD

- Three new exploration licences covering 900 km<sup>2</sup> of prospective clay and hard rock hosted REE mineralisation in the Albany Fraser Orogen Zone have been secured.

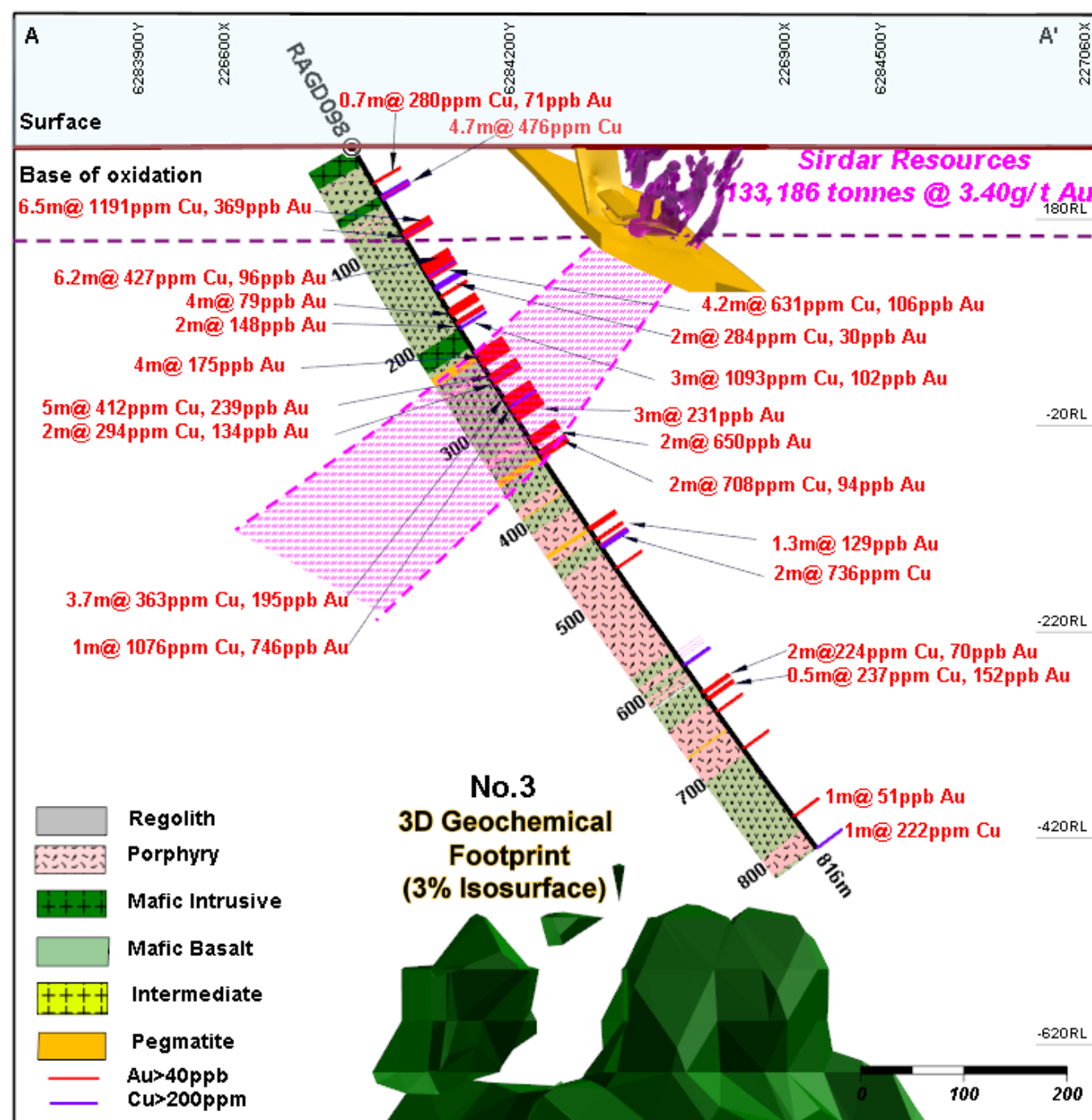
#### CORPORATE

- In view of the Company's current financial constraints, the Directors have agreed to provide short term financial support to the Company, which includes the deferral of the payment of all director fees.
- The Board is constantly reviewing options for raising further capital and facilitating a corporate transaction to recapitalise the Company.



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



Three-dimensional modelling of the geology and the alteration zone is an imperative to vector towards higher grade mineralisation and to place into the model the numerous high-grade gold and copper prospects coming to surface and that were previously drilled e.g., Sirdar and Maori Queen. Previous geophysical survey data including aeromagnetics, IP (Induced Polarisation) and ATM (Audio Magnetallurics) will also be integrated into the updated model.

Numerous veinlet and disseminated sulphide zones between 2 to 8 metres wide with anomalous gold ranging between 50 and 1200 ppb Au and coincident copper ranging between 100 and 1800 ppm Cu characterize these zones. Anomalous REE mineralisation in the same zones range between 50 and 350 ppm TREO.

The integration of the new drill data into that of previously completed work is underway. The remobilisation of gold and copper mineralisation into the numerous late-stage structures through the Mt Cattlin Intrusives Complex is key to the identifying the position for a build of the project resource base.

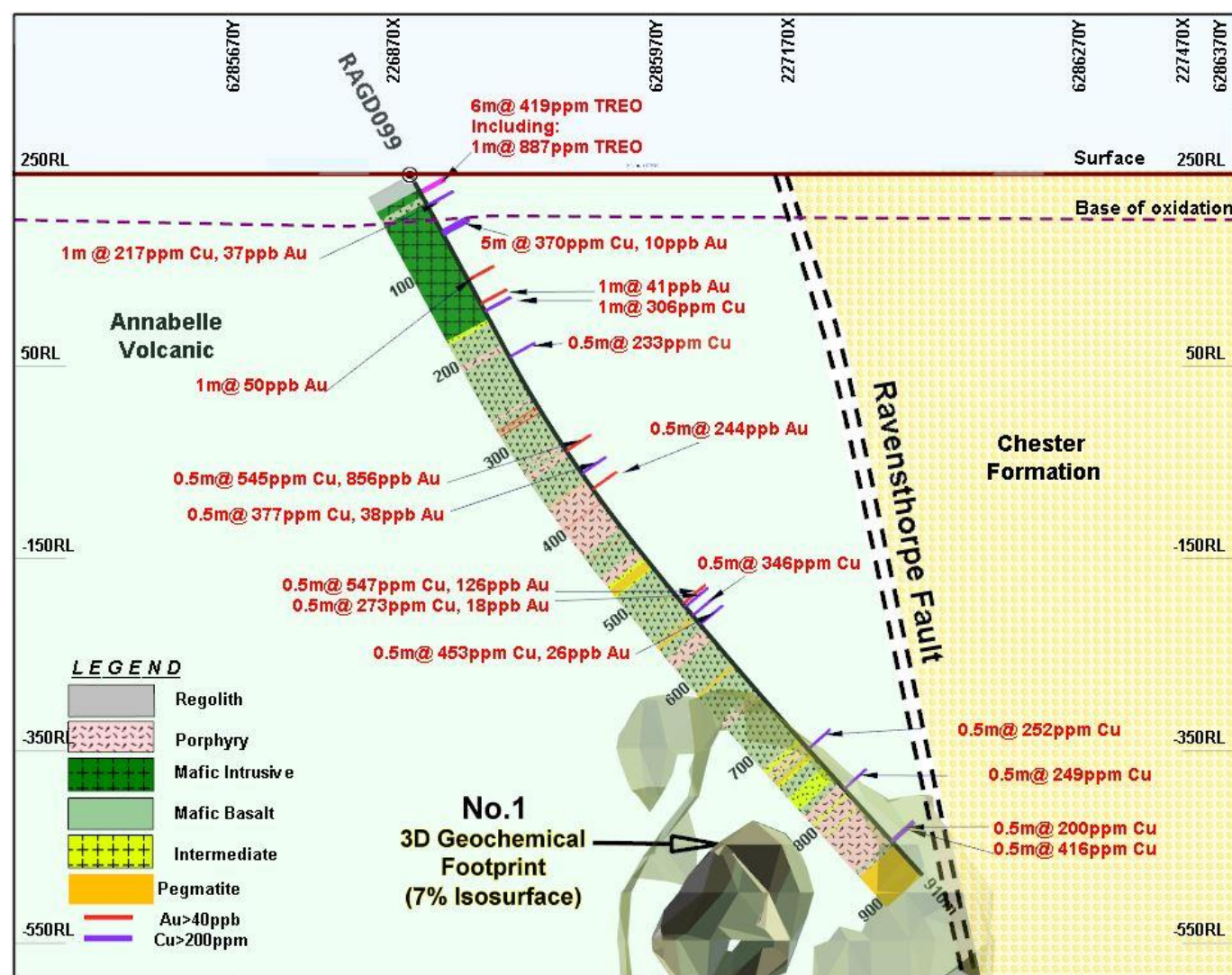
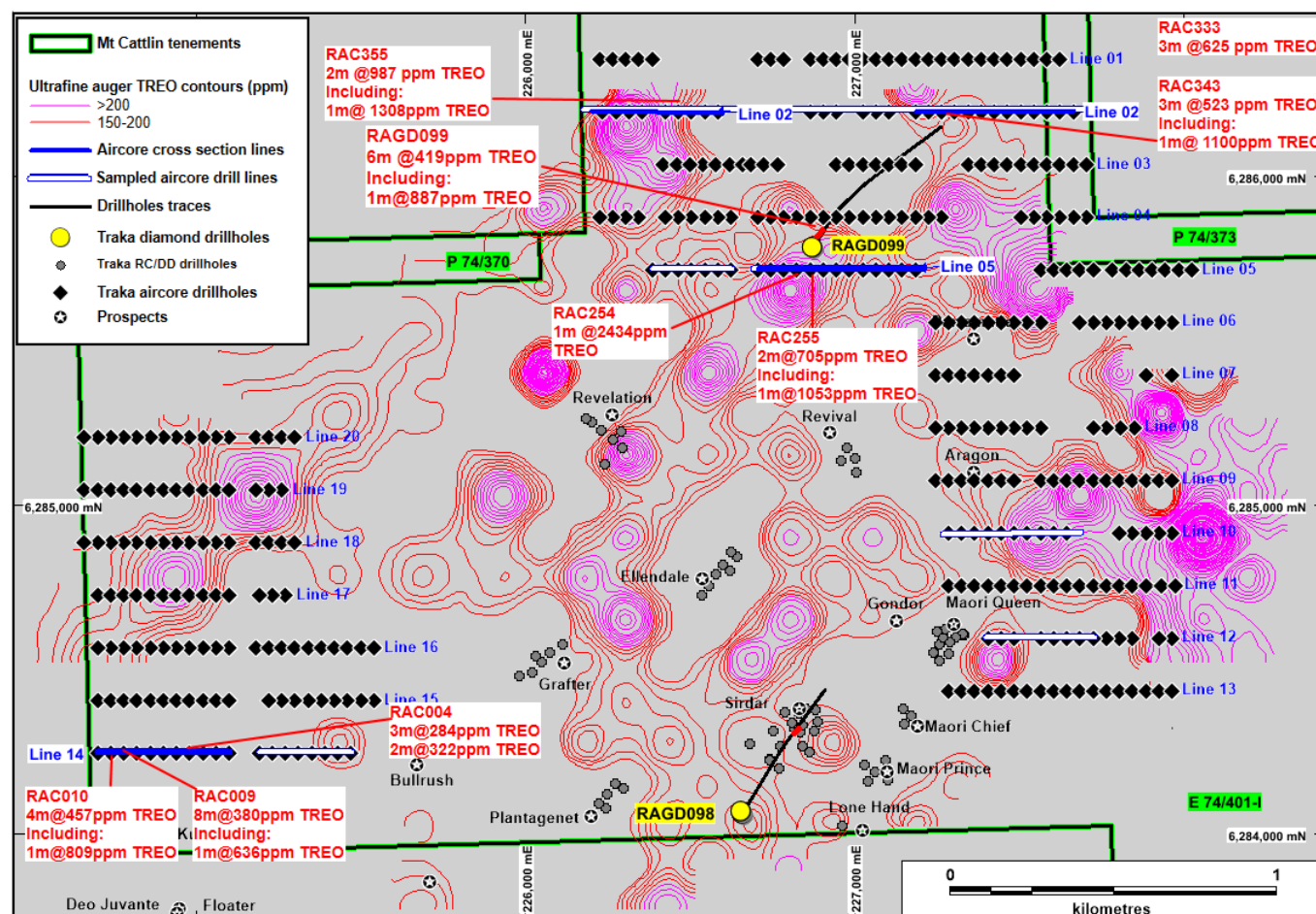


Figure 3. A cross-section geological view of drillhole RAGD099. The majority of copper and gold is within the mafic units peripheral to the numerous porphyry intrusives.

## Clay hosted REE mineralisation at Mt Cattlin

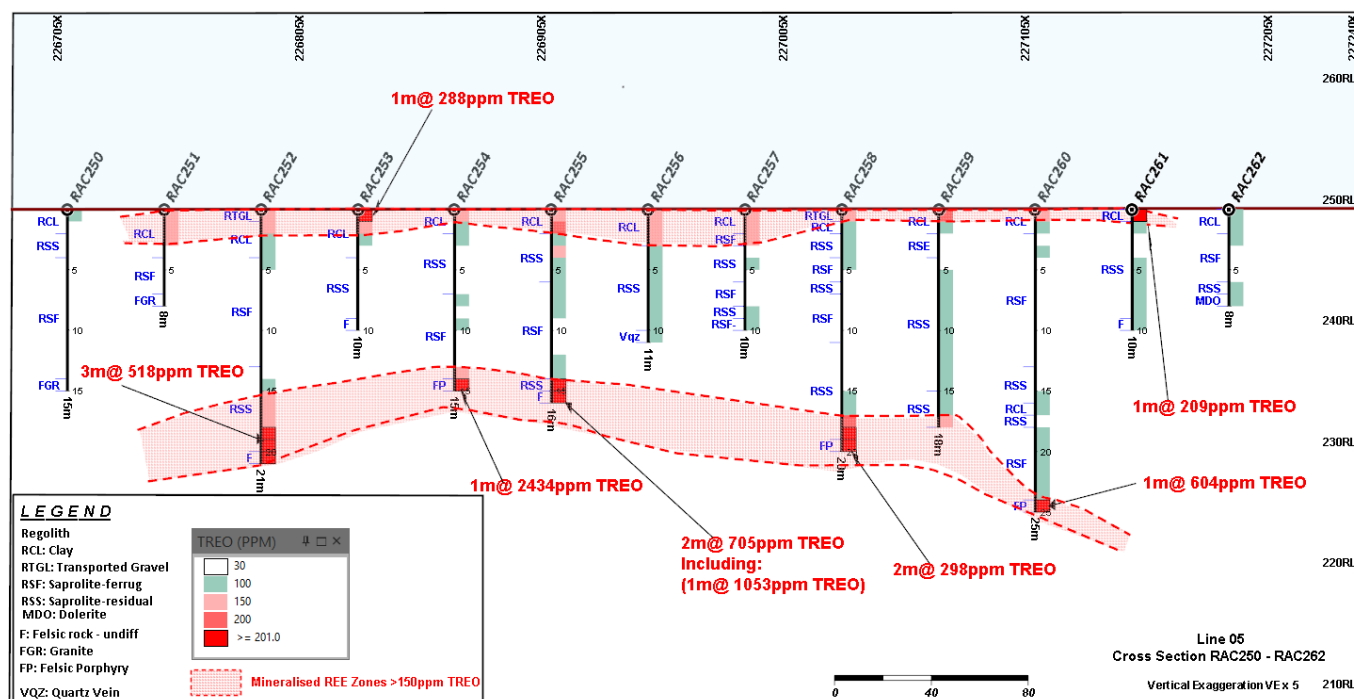
An aircore drilling program to test the near surface clay zone for REE mineralisation was completed in March and reported in August<sup>(2)</sup>. The program comprised 388 drillholes for a total of 3,340 meters spread across 20 widely spaced lines, each 160 meters apart where there was no requirement for clearing (Figure 4).



**Figure 4. 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.**

The REE mineralisation is found to be widespread within the Mt Cattlin Intrusive Complex, primarily concentrated in a supergene-enriched layer at or near the surface and extending to depths between 5 and 30 meters. Peak drillhole results include RAC254 with 1 meter at 2,434 ppm Total Rare Earth Oxides (TREO), RAC255 with 2 meters at 705 ppm TREO (including 1 meter at 1,053 ppm TREO) (Figure 5).

High-grade REE mineralisation on the project appears to be associated with large structural positions and the margins of individual porphyry intrusives. The information gained from this work is currently being evaluated along with the new bedrock drill core data previously reported.



**Figure 5. Cross-section of aircore drillhole Line 5 showing the supergene enriched TREO mineralisation on surface and the near the base of the oxidised zone.**

## GORGE CREEK PROJECT

### *Drilling of the copper, lead and zinc targets*

The Company's plan to complete a 4-hole diamond drill program on previously defined targets has been deferred to next field season to coincide with new programs being planned to test the newly discovered REE targets. The re-instatement of Access Permits in compliance with Heritage obligations is necessary after several years hiatus of field activity following imposed COVID-19 travel restrictions.

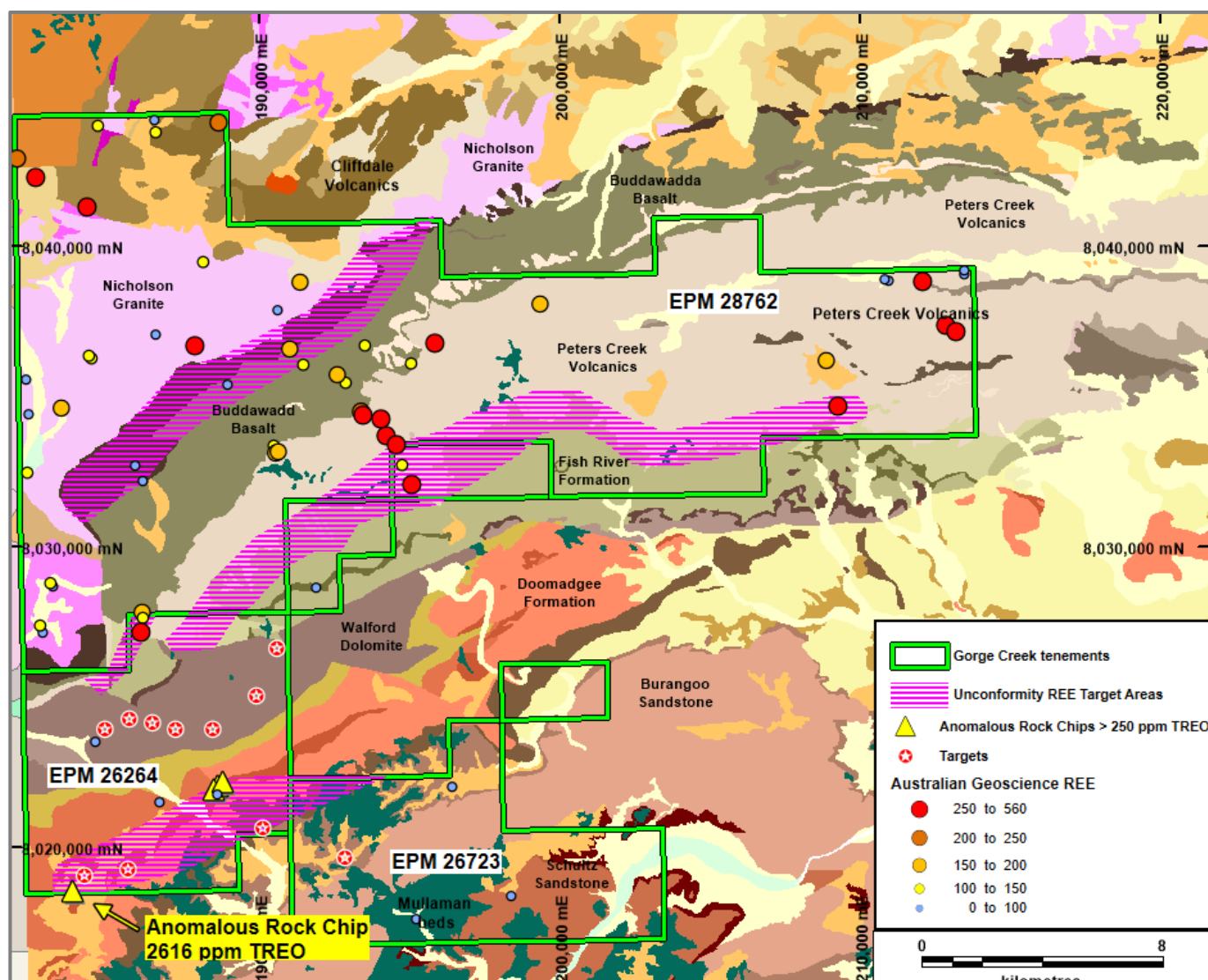
Traka was awarded a \$250,000 Queensland Government Exploration Initiative (CEI) direct cash grant to assist with completion of the drill program but now this will be applied to next year's program. The CEI grant reflects the Queensland Government's support for exploration drilling on previously identified 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 target of the Sedimentary Exhalative (SEDEX) style within Mt Les Siltstone sequence and two holes will test targets within the very large steeply dipping and east-west trending Fish River Faults Zone (FRFZ). RC pre-collars were previously completed on these targets (Figure 6).

### *Unconformity Related REE*

The exploration previously completed at Gorge Creek highlighted the presence of REE mineralisation in a number of unconformity positions<sup>(3)</sup>. The peak rock-chip value was 2,616ppm TREO in laminated oxidised rock in a position that strikes over 5 kilometres distance. The anomalous rock sample on the Doomadgee unconformity of EPM 26264 was strongly anomalous in Cerium, Lanthanum, Neodymium, Praseodymium and Phosphorous with the most likely mineral species being monazite.

Other REE unconformity positions, equally prospective and untested were known and all this potential was secured under a new Exploration Permit Application (EPM28762). The Gorge Creek Project now covers a very large area of 470 sq km and there is about 30km strike length of prospective unconformity hosted mineralisation within it.



**Figure 6. A geological map of the Gorge Creek Project show the REE unconformity targets, the Nicholson Granite, drill targets position for base metals and historic geochemical data.**

### **Unconformity REE targets at Gorge Creek**

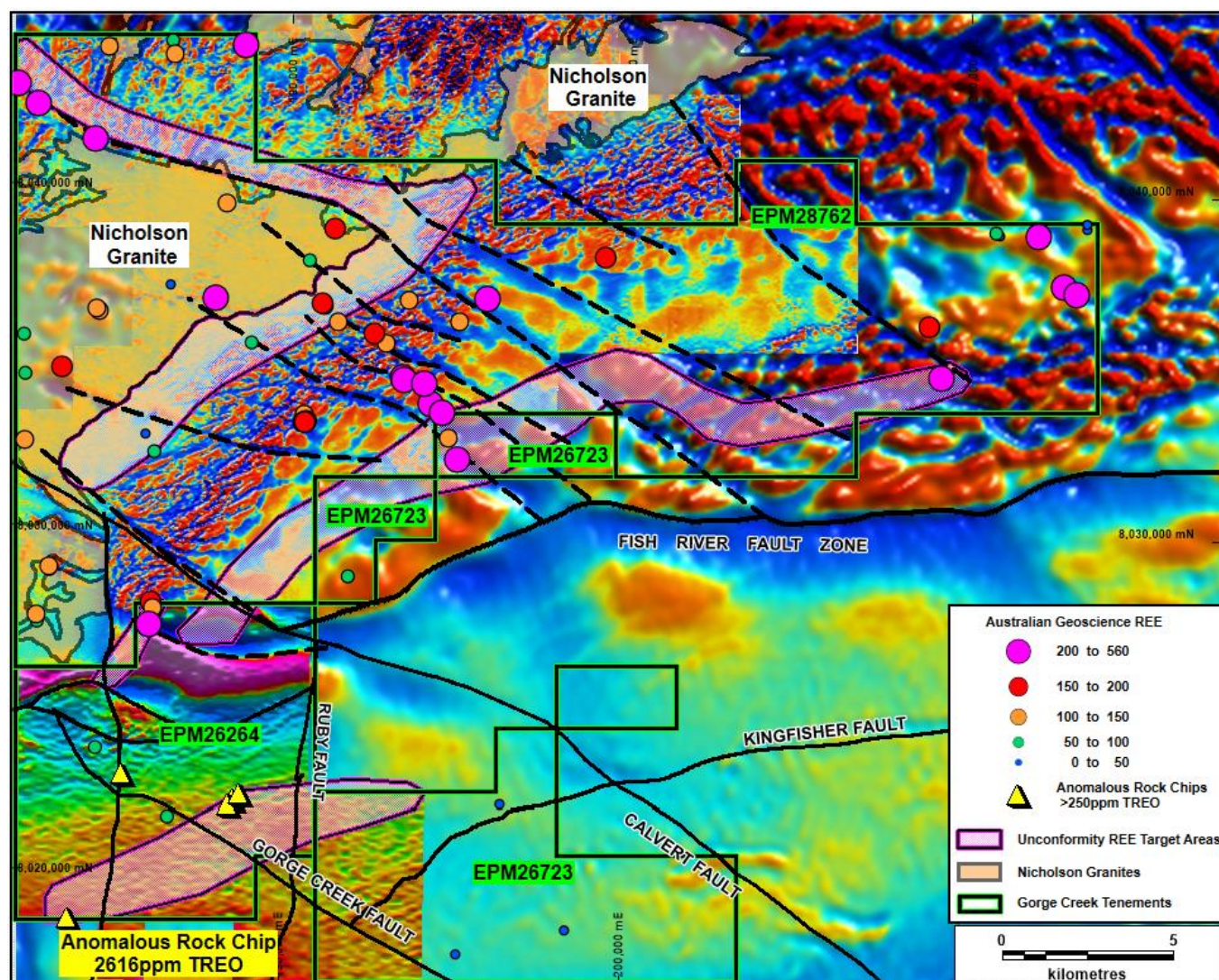
Previous exploration by Traka and other explorers in the Gorge Creek region has highlighted the potential for unconformity related REE mineralisation. A rock-chip sample collected by Traka many years ago had 2,615 ppm TREO and is observed to be on the unconformity contact of the Doomadgee Formation. Other samples by Australian Geoscience in the new EPM highlights other prospective unconformity positions extending over tens of kilometres.

The unconformities occur on the bottom of the Doomadgee Formation and the basal and upper contact positions of the REE-rich Peters Creek Volcanic rocks that overlie the eastern margin of the Nicholson Granite. The Peters Creek Volcanics and Nicholson Granite are part of the domal feature of the Murphy Inlier that separates the South Nicholson and MacArthur Sedimentary Basins

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.

## Granite Hosted REE

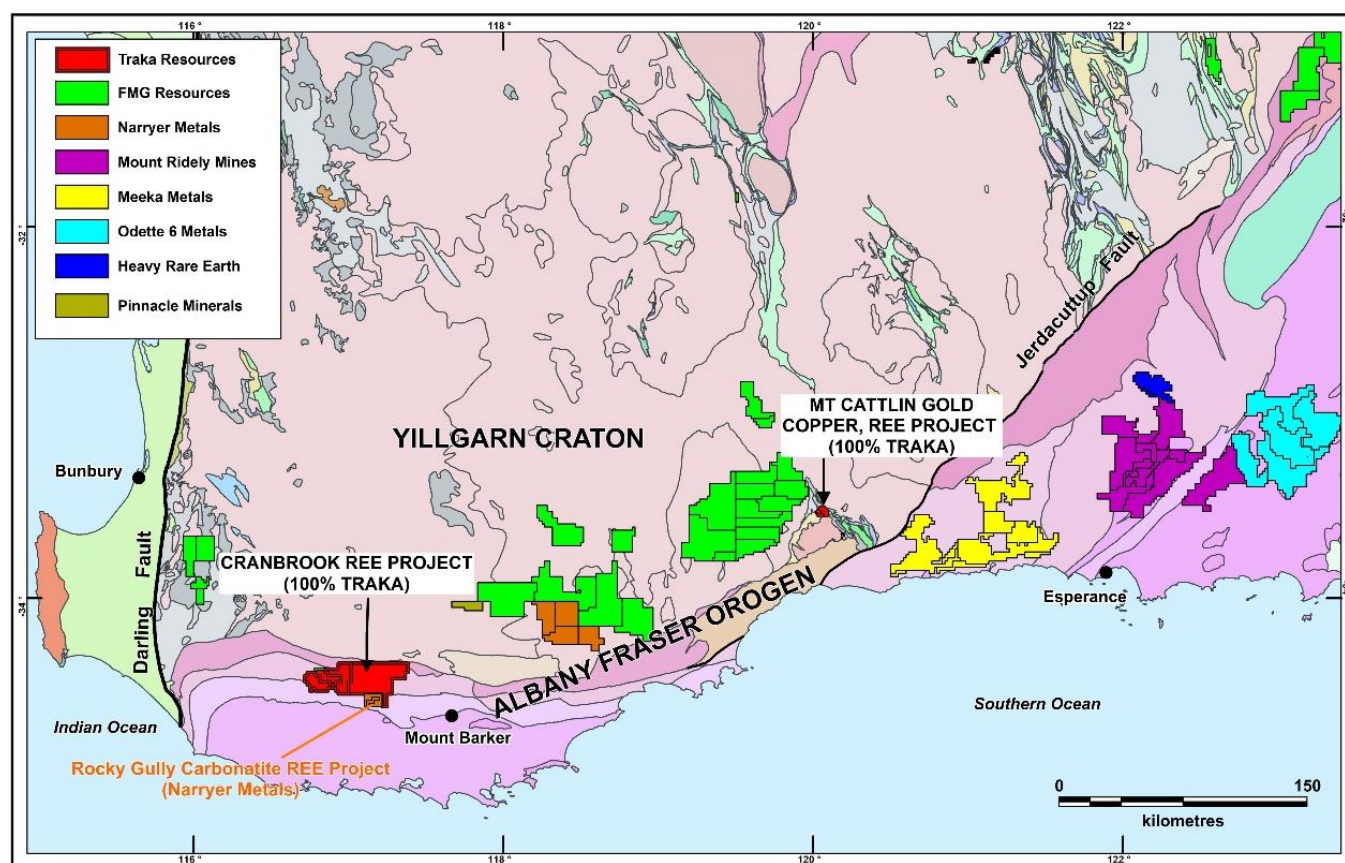
Recent discoveries of ionic clay hosted REE mineralisation in the Mt Isa area, linked to the same age and phase of granite as the Nicholson Granite at Gorge Creek, have highlighted additional REE mineralisation potential in addition to that already recognized in the unconformities. Anomalous REE samples, collected by Australia Geoscience, are noted to occur over the Nicholson Granite (Figure 7).



**Figure 7.** A regional aeromagnetic image showing the anomalous REE sample positions peripheral to the REE enriched Nicholson Granite, on the unconformity positions peripheral to granite and the north-west trending structures.

## CRANBROOK REE PROJECT

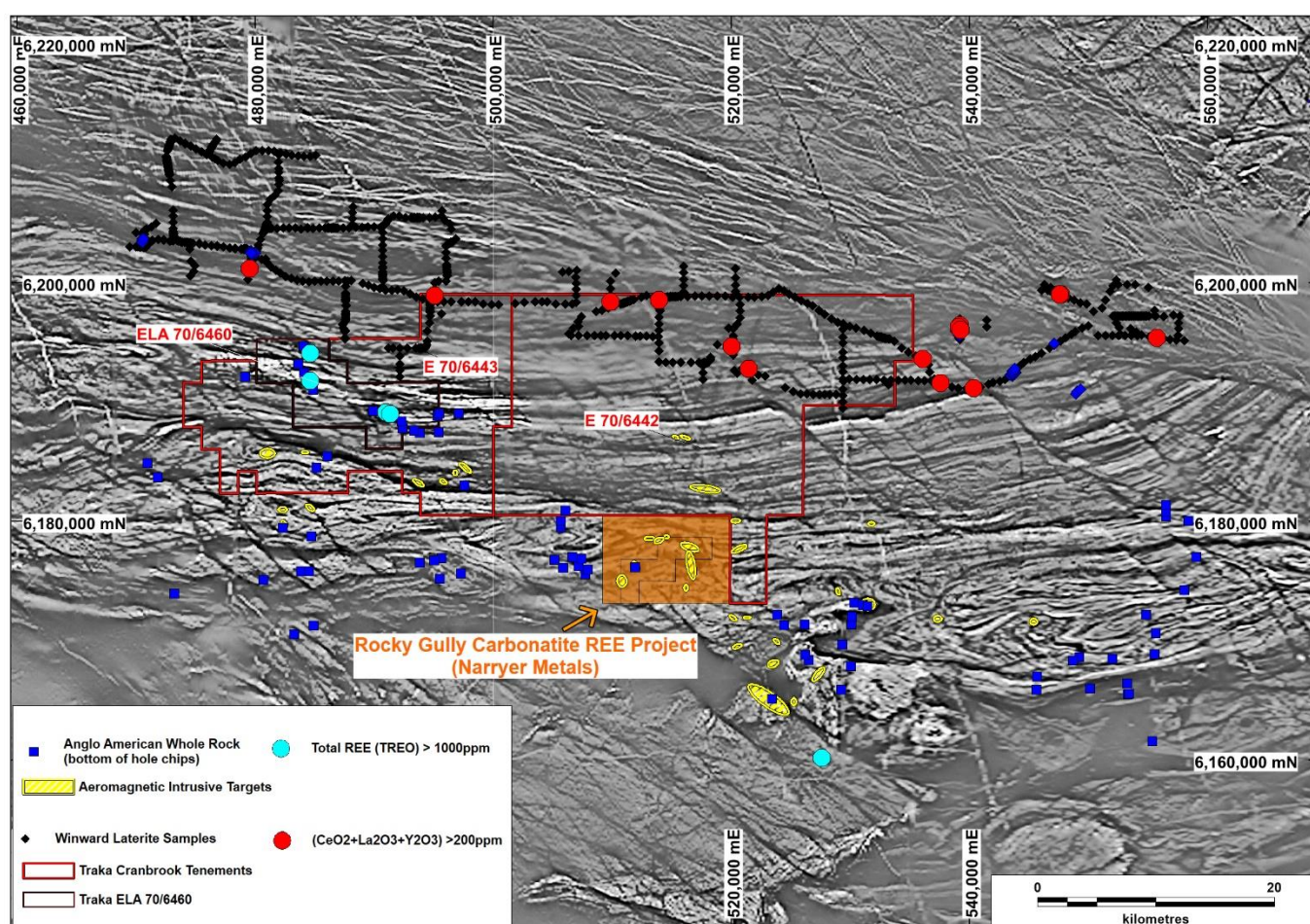
During the quarter, Traka consolidated<sup>(4)</sup> a 900 km<sup>2</sup> area in the Cranbrook location prospective for both Ionic Clay and Carbonatite rock Rare Earth Potential in Albany Fraser Orogen Zone of Western Australia (Figure 8).



**Figure 8. The Cranbrook Project position in the Albany Fraser Orogen Zone also showing the position of other REE explorers in the region**

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 are currently drilling a potential carbonatite intrusive where previous RC drilling highlighted REE mineralisation up to 0.5% TREO (Figure 9). Previous interpretation by Anglo American of public domain aeromagnetic data within Traka's new tenement position highlighted numerous circular features indicative of intrusives late phase intrusives that may be REE bearing carbonatites.

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 9. 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 have remained an important objective.

## CORPORATE

During the quarter the Company received \$100,000 from a company associated with director, Mr Pitt, and the directors have agreed to defer the payment of their quarterly directors' fees. This is to enable Traka to meet its ongoing working capital needs while the Board continues to investigate ways in which to recapitalise the company.

## Payments to Related Parties

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

	\$000
Remuneration of the Managing Director	22
Director fees paid to non-executive directors	-
Rent of storage space paid to entity associated with a director	3

Authorised by the Board.

Patrick Verbeek  
**Managing Director**

- (1) Traka ASX Announcement 11 October 2023 – Drilling of the mineralised Mt Cattlin Intrusive Complex.
- (2) Traka ASX Announcement 23 August 2023 – Clay hosted REE mineralisation at Mt Cattlin.
- (3) Traka ASX Announcement 13 October 2023 – Base Metal and REE mineralisation at the Gorge Creek Project.
- (4) Traka ASXC Announcement 16 October 2023 – Consolidation of the Cranbrook Project

## 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 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(65)	(65)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(68)	(68)
	(e) administration and corporate costs	(23)	(23)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	24	24
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(132)</b>	<b>(132)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	8	8
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>8</b>	<b>8</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	100	100
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>100</b>	<b>100</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	30	30
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(132)	(132)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	8	8
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	100

## 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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>6</b>	<b>6</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6	30
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Term Deposits	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6</b>	<b>30</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	26
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.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<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	100	100
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	3,000	-
7.4	<b>Total financing facilities</b>	3,100	100
7.5	<b>Unused financing facilities available at quarter end</b>		3,000
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>On 5 January 2023 the Company entered into an At-The-Market (ATM) subscription facility with Dolphin Corporate Investments to provide Traka with up to \$3 million of standby equity capital over the next 3 years. Refer to ASX announcement on 5 January 2023 for full details. There were no changes to the terms of the facility during the quarter.</p> <p>During the quarter, a company associated with director, Joshua Pitt, has advanced funds to the Company to assist with meeting its ongoing working capital needs while it seeks a partner to complete a corporate transaction and recapitalisation plan. This advancement of funds bears no interest and has no fixed repayment date.</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(132)
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)	(132)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6
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)	3,006
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	22.8
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>No. Exploration expenditure will continue to decrease as the Company settles outstanding laboratory bills for assays, and all current exploration activities have been deferred. The expected level of administration and corporate costs will remain at a similar or reduced level as the Company continues to take measures to conserve capital.</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?

Yes. The Company is constantly reviewing its options for raising further capital to fund its operations. As noted at 7.6 above, the Company has an ATM facility in place, to be utilised at its discretion. The Company is currently in discussions with third parties to facilitate a corporate transaction and recapitalisation plan.

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 was received following the end of the quarter. A company associated with director, Mr Pitt, has advanced funds to assist with meeting ongoing working capital needs. The Directors have agreed to the short term deferment of the payment of director fees and charges. The Board is in discussions to facilitate a corporate transaction that will provide financial support, though this may 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: 30 October 2023 .....

Authorised by: The Board.....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

**TRAKA RESOURCES LIMITED**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
**For the quarter ended 30 September 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%
E	70/6442	Cranbrook, WA	100%	100%
E	70/6443	Cranbrook, WA	100%	100%
E	70/6460	Cranbrook, WA	100%	100%

**Mining tenements and beneficial interests acquired during the quarter, and their location:**

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
E	70/6442	Cranbrook, WA	0%	100%	0%	100%
E	70/6443	Cranbrook, WA	0%	100%	0%	100%
E	70/6460	Cranbrook, WA	0%	100%	0%	100%

**Mining tenements and beneficial interests disposed of during the quarter, and their location:**

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	37/1458	Leonora, WA	100%	0%	100%	0%

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