

31 January 2024

## December 2023 QUARTERLY ACTIVITIES REPORT

### **KEY POINTS:**

#### **CORPORATE**

- The Company finalised a capital raising of \$1.75m on 17 January 2024.
- The funds raised will be used to progress exploration activity on the Company's existing projects, review additional project opportunities and to meet working capital requirements.

#### **MT CATTLIN GOLD-COPPER-REE PROJECT**

- A geological review of geochemical, geophysical and spectral data is underway to determine a vector to the high-grade gold copper mineralisation within an extensively altered and mineralised porphyry intrusive complex.

#### **THE GORGE CREEK PROJECT**

- The newly recognised opportunity for Unconformity and Granite hosted REE, in addition to the base-metals potential already established, has significantly enhanced this project.
- A new licence application has enlarged the project to consolidate all the known potential base metal and REE targets.
- New exploration programs for REE will be concurrent with work programs planned for the existing base metal targets.

#### **THE CRANBROOK PROJECT, QLD**

- Exploration licences covering 900 sq km of prospective clay and hard rock hosted REE has been secured in the Albany Fraser Orogen Zone. Work on these projects will commence in the current quarter period.

## **CORPORATE**

During the Quarter, the Company announced a pro-rata non-renounceable entitlement issue of 1 share for every 1 share held at 0.2c per share, together with 1 unlisted option for every 2 shares applied for. A Prospectus and Supplementary Prospectus were lodged with ASX on 15 and 22 December respectively.

The entitlement issue was fully underwritten by PAC Partners, who has entered into several sub-underwriting agreements in respect of shortfall shares, including a sub-underwriting agreement with a company associated with Director Mr. Joshua Pitt.

The offer closed after the quarter-end, raising \$1,750,659 before costs, with the issue of 875,329,277 new shares and 437,664,632 options.

The capital raised will be directed to the Company's existing exploration projects, Mt Cattlin, Gorge Creek and Cranbrook in addition to an ongoing search for additional projects as well as providing working capital.

## **MT CATTLIN GOLD-COPPER-REE PROJECT**

Detailed evaluation of project drillhole data is ongoing and includes a review of Hylogger Spectral Scan data (Hylogger) and the correlation of this with detailed geochemistry, AMT (Audio Magnetallurics), IP (Induced Polarisation), EM (Electromagnetic) and aeromagnetic data.

The drillhole data highlights widespread gold, copper and REE mineralisation for the target elements, gold, copper and Rare Earth Elements (REE) primarily concentrated in the alteration zones around individual porphyry intrusives (Figure 1).

Hylogger spectral data identifies the mineralogy within the drill core and will assist in interpretation of the porphyry mineralised system. There is a complex pattern of hydrothermal alteration overprint from multi-phased intrusives. Detailed geological logging, XRD (X-Ray Diffraction) to determine crystallography, chemical composition and physical properties will be included as part of the evaluation.

Three-dimensional modelling of the geology and the alteration zone will assist in vectoring towards the higher-grade mineralisation at depth within the numerous high-grade gold and copper prospects coming to surface.

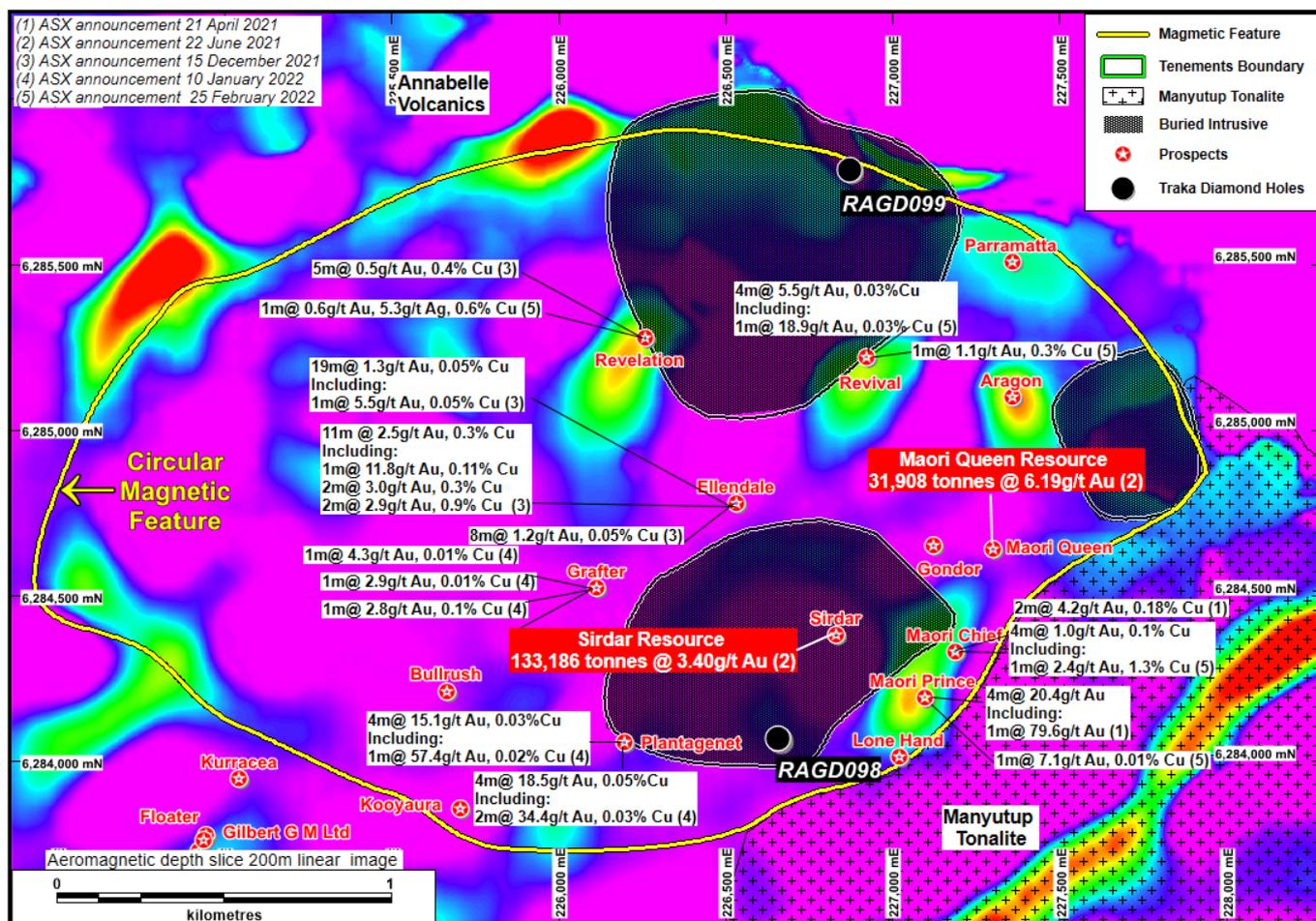


Figure 1. An aeromagnetic image showing near surface drillhole intersections for past work completed, the position of drillhole RAGD098 and RAGD099 and the position of the three buried intrusives project surface within the Mt Cattlin Intrusive Complex.

## GORGE CREEK PROJECT

The Gorge Creek project has significantly expanded from copper, lead and zinc base metal targets to now include new opportunities for REE (Figure 2). A new exploration licence EPM28762 to the north of the existing project has consolidated the Company's holding to a total of 470 sq km covering all the newly recognised prospects. Exploration programs for the base metal and REE opportunities are currently being planned for the upcoming field season.

### Base Metal Targets

A diamond drill program utilizing the \$250,000 Queensland Government Exploration Initiative Grant (CEI) was deferred to next year's field season. Unexpected permitting delays prevented access to the project last field season, and it was more efficient to undertake the same program at the same time as exploration work commenced on the REE opportunities <sup>(1)</sup>

This drilling program will involve two diamond drill tails to test a large-scale, flat-lying lead and zinc targets of the Sedimentary Exhalative (SEDEX) style within Mt Les Siltstone sequence. Two diamond drill tails will also be carried out to test targets within the very large steeply dipping and east-west trending Fish River Faults Zone (FRFZ). RC pre-collars for these tails were previously completed on these targets.

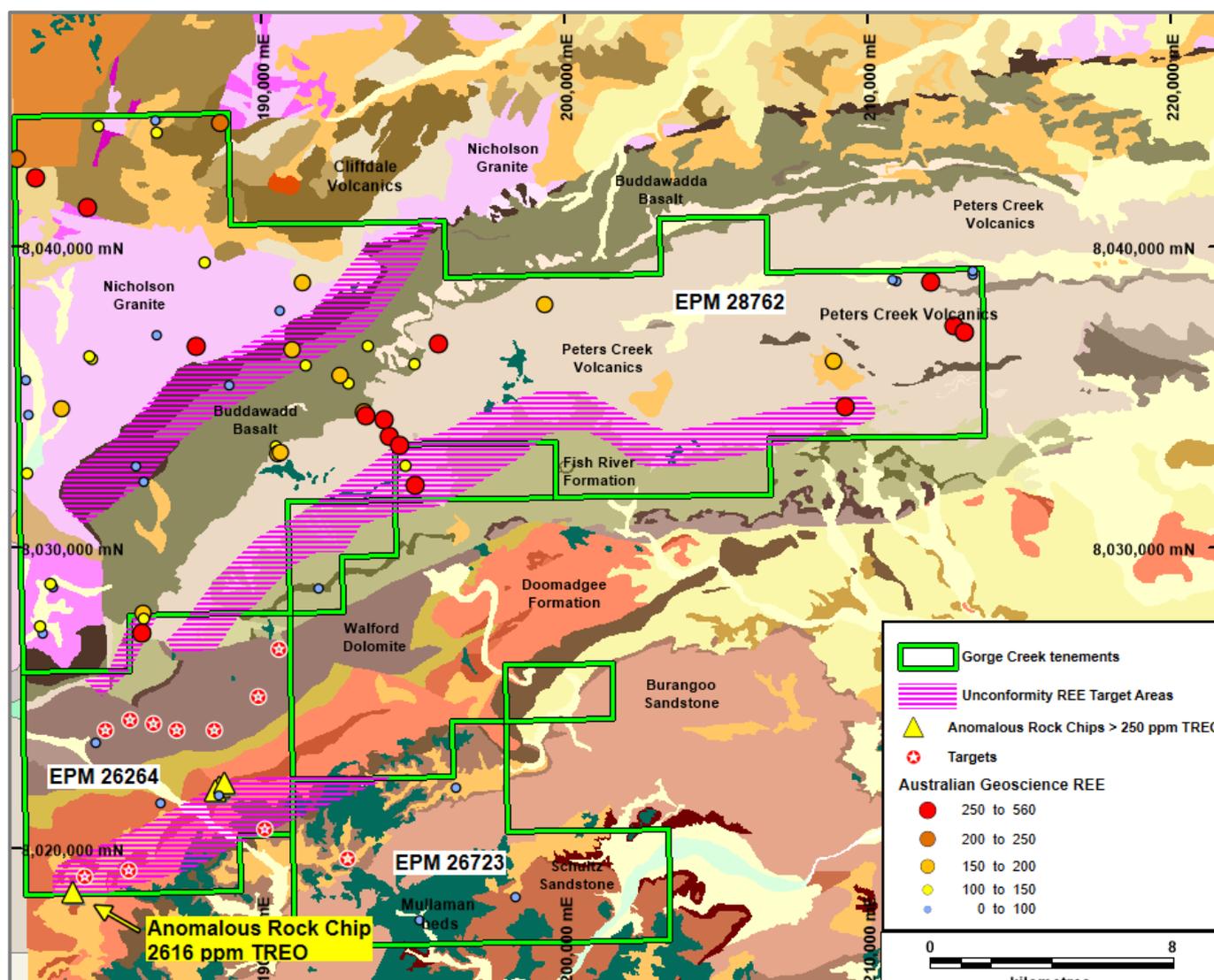


Figure 2. A geological map of the Gorge Creek Project showing the new EPM 28762, the Unconformity and Nicholson Granite REE targets plus the base metals drilling positions.

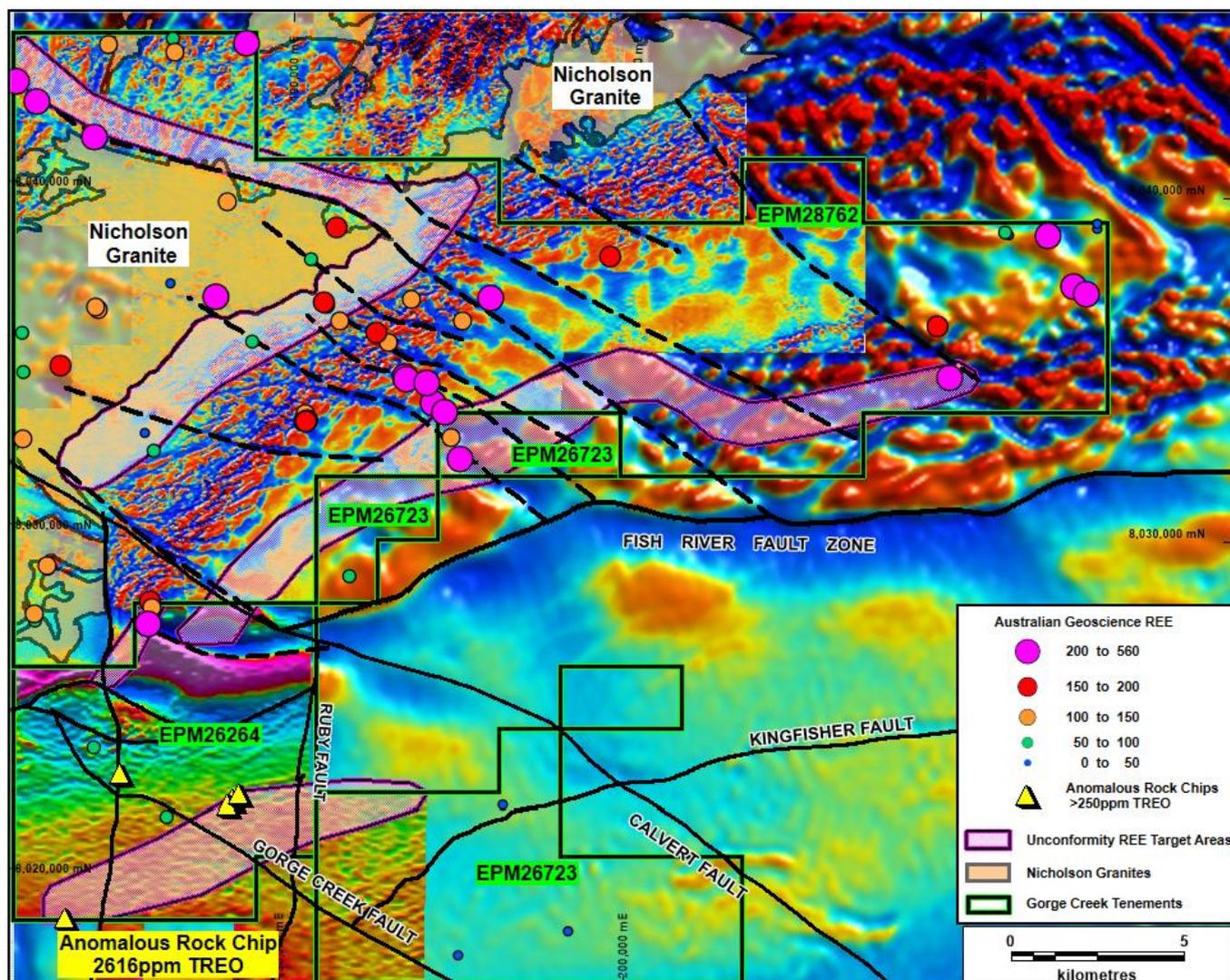
### Unconformity Related REE

Traka's previous exploration at Gorge Creek highlighted the presence of REE mineralisation in rock-chips at the base of the Doomadgee Formation unconformity (Figure 1). The peak rock-chip value was 2616ppm TREO in laminated oxidized rock in a position that strikes over 5 km. The rock-chips were strongly anomalous in Cerium, Lanthanum, Neodymium, Praseodymium and Phosphorous with the most likely mineral source being monazite.

Other unconformity positions within EPM28762 are on the contact positions of the phosphate rich Peters Creek Volcanic rocks on the contact and near the eastern margin of the Nicholson Granite. These have a combined strike length of over 30 kms.

The unconformity related REE at Gorge Creek has a similar geological setting to that present at the Browns Creek Dome area of Western Australia (Northern Minerals). The REE mineralisation at Browns Creek is hosted in the Gardiner Sandstone located on unconformities and dilatant structures on the western side of a domal feature. At Gorge Creek the Nicholson Granite forms the core of a dome exposing the older metamorphosed and folded Murphy Inlier rock sequence. An area measuring 15 kms x 5 kms on the

eastern margin of the Nicholson Granite is dissected by numerous north-west trending structures parallel to the regional scale Calvert Fault (Figure 3). Geochemical sampling by Australian Geoscience has highlighted numerous anomalies, none of which have been followed.



**Figure 3. 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**

### **Granite hosted REE**

The recent discovery of REE mineralisation over granites in the Mt Isa area has positive implications for targeting at the Nicholson Granite. The Nicholson Granite is the same age and phase as the Sybella Granite which hosts the new Red Metal Ltd discovery near Mt Isa (2). The same generation of sampling by Australian Geoscience at Sybella has similarly highlighted this potential over the Nicholson Granite (Figure 4).

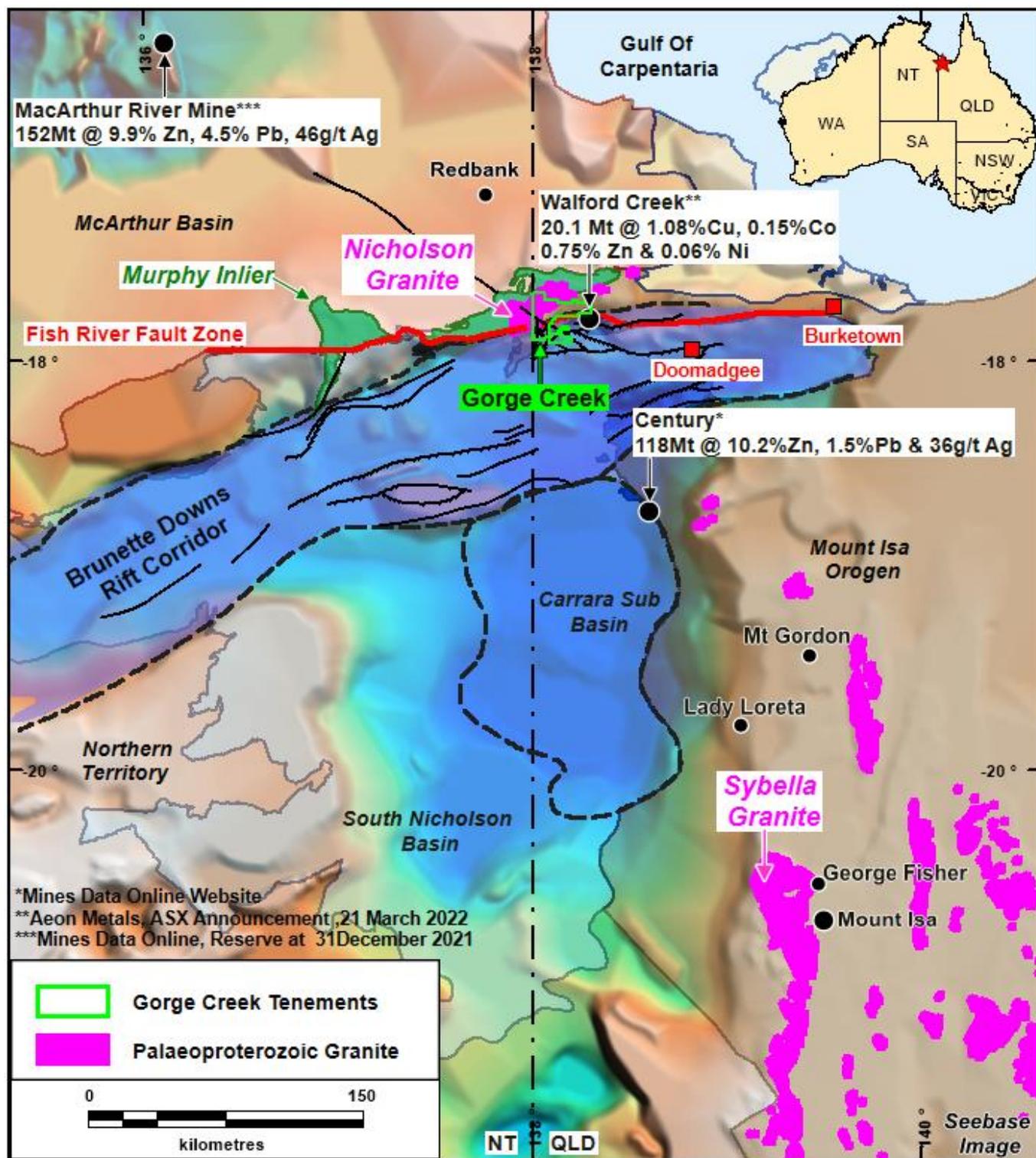
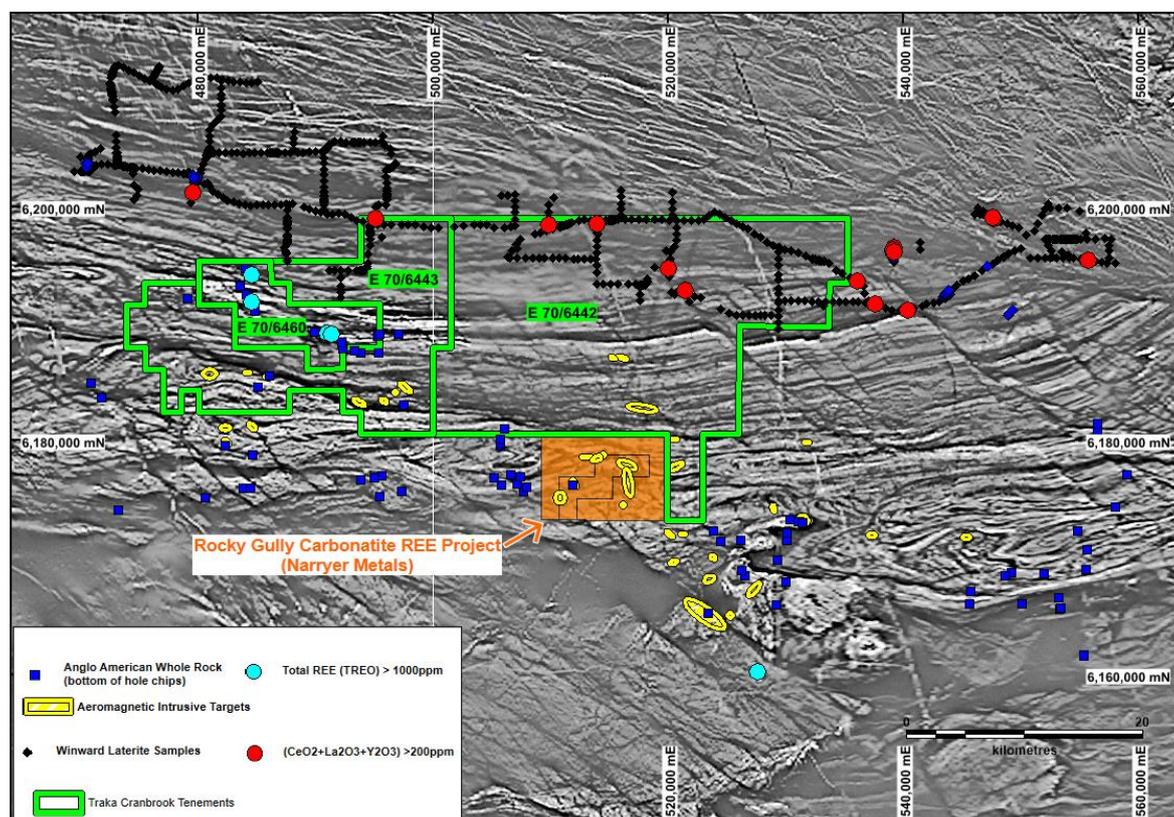


Figure 4. A regional Seebase image showing the position of the Gorge Creek Project over the Murphy Inlier as well as the Nicholson Granite in relation to the other same age granites in the Mt Isa district.

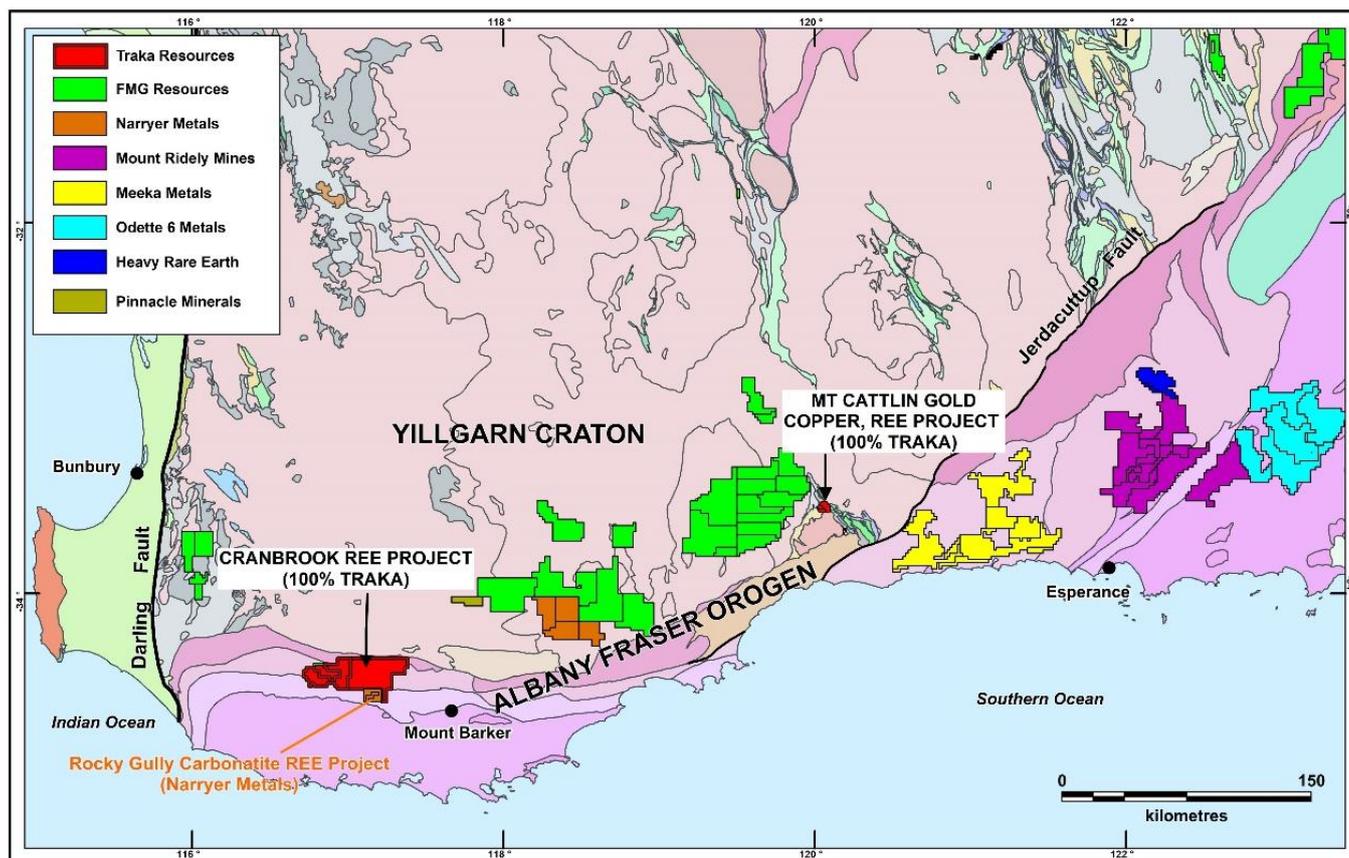
## CRANBROOK REE PROJECT

During the Quarter period Traka consolidated its position in this new project area by completing an agreement with Industrial Minerals Pty Ltd (3). A contiguous strategic holding of 3 EL's covering over 900km<sup>2</sup> is now secured in a highly prospective area of the Albany Fraser Orogen Zone. Both Clay and Carbonatite rock REE potential exists in those project (Figures 5 and 6)



**Figure 5. The Cranbrook Project over an aeromagnetic showing the location of historic sampling results and the position of aeromagnetic anomalies indicative of Carbonatite Intrusives.**

Previous sampling of surface laterite by Windward Resources and bottom of aircore holes by Anglo American highlighted anomalous levels of REE (>1000ppm TREO). Furthermore, previous interpretation by Anglo American of public domain aeromagnetic highlighted numerous circular features indicative of intrusives late phase intrusives that may be REE bearing carbonatites. Narryer Metals are currently drilling a potential carbonatite intrusive where previous RC drilling highlighted REE mineralisation up to 0.5% TREO.



**Figure 6. The Cranbrook Project position in the Albany Fraser Orogen Zone also showing the position of other REE explorers 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 remains an important objective.

## Payments to Related Parties

As reported in Section 6 of the Appendix 5B Quarterly Cash Flow Report, no payment were made to related parties during the quarter.

Authorised by the Board

Patrick Verbeek  
**Managing Director**

- (1) Traka ASX Announcement 13 October 2023 – Base Metal and REE mineralisation at the Gorge Creek Project.
- (2) Red Metal Ltd Announcement 21 August 2023 – Sybella Project
- (3) Traka ASX Announcement 14 October 2023 – Consolidation of the Cranbrook Project

## COMPLIANCE STATEMENT

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr P Verbeek who is the Managing Director of Traka Resources Limited. Mr Verbeek, who is a Competent Person and a Member of the Australasian Institute of Mining and Metallurgy, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Verbeek consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

**TRAKA RESOURCES LIMITED**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
**For the quarter ended 31 December 2023**

<b>Type</b>	<b>Tenement</b>	<b>Location</b>	<b>Registered Holding</b>	<b>Beneficial Interest</b>
E	69/2749	Musgrave, WA	0%	Note 1
E	69/3156	Musgrave, WA	0%	Note 1
E	69/3157	Musgrave, WA	0%	Note 1
E	69/3490	Musgrave, WA	0%	Note 1
E	69/3569	Musgrave, WA	0%	Note 1
P	74/0370	Ravensthorpe, WA	0%	Note 2
P	74/0373	Ravensthorpe, WA	0%	Note 2
E	74/0401	Ravensthorpe, WA	0%	Note 2
E	74/0636	Ravensthorpe, WA	0%	20%
EPM	26264	Gorge Creek, QLD	100%	100%
EPM	26723	Gorge Creek, QLD	100%	100%
EPM	28762	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:**

None

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

None

Note 1: the Company retains a 2% net smelter return royalty on all minerals produced from these tenements.

Note 2: the Company holds a 100% interest in the gold and other minerals excluding pegmatite minerals.

Key:

E: Exploration licence

EA: Exploration licence application

P: Prospecting licence

EPM: Exploration permit mineral

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Traka Resources Limited

ABN

63 103 323 173

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(152)	(217)
(b) development	-	-
(c) production	-	-
(d) staff costs	37	(31)
(e) administration and corporate costs	(76)	(99)
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	48	48
1.8 Other	3	27
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(139)</b>	<b>(271)</b>

<b>2. 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	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	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>-</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	(4)	(4)
3.5	Proceeds from borrowings	139	239
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>135</b>	<b>235</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	6	30
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(139)	(271)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	8
4.4	Net cash from / (used in) financing activities (item 3.10 above)	135	235

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1</b>	<b>1</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1	6
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Term Deposits	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1</b>	<b>6</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
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

<b>7. 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	239	239
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	3,000	-
<b>7.4 Total financing facilities</b>	<b>3,239</b>	<b>239</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>3,000</b>
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<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 prior and current quarters, a company associated with director, Joshua Pitt, has advanced funds to the Company to assist with meeting its ongoing working capital needs. This advancement of funds bears no interest and has no fixed repayment date.</p> <p>Subsequent to the quarter end, following a fully underwritten entitlement issue, the funds were repaid in full.</p>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(139)
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)	(139)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1
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)	3,001
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>21.6</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>No.</p> <p>All exploration activities had been deferred in the prior quarter as the Company continued to settle outstanding laboratory bills for assays relating to the prior field season. The prior quarter is therefore not reflective of the expected level of continued exploration activities, especially following the successful entitlement issue in January 2024.</p> <p>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>

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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.

Subsequent to the end of the quarter, the Company completed a successful entitlement issue, as announced in a Prospectus and Supplementary Prospectus lodged with ASX during the current quarter.

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes.

During the quarter the Company announced a fully underwritten entitlement issue, which settled after the end of the quarter, raising \$1.75m before costs.

*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: 31 January 2024 .....

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.