



ASX Shareholders Report

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ASX

AUSTRALIAN SECURITIES EXCHANGE

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Company Announcements
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Gorge Creek JV – Drill Program

A drill program to test 5 of 11 targets is being planned to commence in October (Figure 1). This program is the follow up to a successful program of helicopter borne geophysics plus on-ground geological and geochemical surveys ⁽¹⁾. Four of the targets are on structures associated with the Fish River Fault Zone (FRFZ) and are considered to be prospective for Walford Creek style Cu, Co, Pb and Zn mineralisation. The fifth target is a postulated large breccia pipe also prospective for Cu, Co, Pb and Zn.

The drill program will comprise approximately 4,000 metres of Reverse Circulation (RC) drilling, but, depending on ground conditions, may partially revert to diamond drilling if a drilling depth of up to 350 metres is necessary to intersect the target and cannot be achieved using RC. The program is expected to continue until drilling is no longer possible due to the onset of the wet season.

The scope of work at Gorge Creek has significantly expanded from that originally contemplated. Other new styles of target in addition to those originally contemplated on the FRFZ are being highlighted. These are new opportunities that cannot be drilled in the remaining time available this season.

None of the targets highlighted to date have been drilled previously. A brief description of the 5 targets initially to be tested follows:

1. **Mirage.** This target is principally defined by a 1.5 km long zone of Cu, Pb and Zn soil geochemical anomalism. It is coincident with the FRFZ in the same stratigraphic position as the mineralisation which hosts the Cu, Co, Pb and Zn mineralisation found at Walford Creek. A 500m long brecciated gossan outcrops in the centre of the soil geochemical anomaly.
2. **Tornado East and Tornado Far East.** This is an XCITE (airborne electromagnetic conductor) target extending over 2km distance on a southeast trending splay fault of the FRFZ. The target is coincident with a gravity low zone over very strongly altered predominantly dolomitic host rocks. There is no surface exposure and cemented regolith cover renders surface geochemistry ineffective. Mineralised fluids moving through the fault into the reactive favourable host rocks provides an ideal site for a structure controlled Walford Creek style deposit.

3. Tornado. This target comprises a soil geochemical anomaly over a broad zone about 0.5km wide and 2km long of very strong Cu, Pb and Zn soil and rock-chip anomalism. The soil anomaly is coincident with a north trending gravity ridge which suggests an underlying structure and/or rock unit as source of the anomalism detected at surface. Numerous but poorly exposed unconnected outcrops of brecciated gossan occur within the confines of the multi-element soil anomaly.

4. Tornado West. This is another XCITE target extending over 1.5km on a southeast trending splay fault of the FRFZ. Like Tornado East it is also coincident with a gravity low zone interpreted to be predominantly hosted within strongly altered dolomitic host rocks. There is no surface exposure and cemented regolith cover rocks also make surface geochemistry ineffective.

5. Gorge Creek Breccia Pipe. This postulated breccia pipe is a large roughly oval shaped feature about 1.0km x 0.8km in size which is covered by coarse grained conglomerate rocks within a gently southeast dipping sequence of fine-grained sedimentary rocks. It is an unconformable geological feature coincident with both an XCITE and a gravity anomaly which suggest the presence of a steeply dipping body like a breccia pipe.

In this scenario the less resistant fractured/altered state of the rocks within a breccia pipe, when contrasted with the surrounding rocks, creates a depression within which the conglomerate has infilled. The conglomerates form a caprock which prevents confirmation of the true nature of the underlying feature without drilling but the presence of some strongly silicified brecciated rock with signs of epithermal alteration is encouraging.

Breccia pipes are known to occur to the north of Gorge Creek in the MacArthur Basin in similar geological terrain to that at Gorge Creek e.g. Redbank (Redbank Operations Pty Ltd) and Stanton (Northern Cobalt Ltd). They are not particularly unusual but more importantly they can be associated with Cu, Co, Pb and Zn mineralisation and are being actively targeted for exactly these metals. The mineralising process is epithermal style and involves saline fluids passing upwards from the underlying stratigraphic sequences to precipitate sulphides in the breccia matrix at about 200m or more below the original surface. The Mt Les Siltstone stratigraphic unit, which hosts mineralisation at Walford Creek, is about 200m beneath the epithermal breccia outline at Gorge Creek and could provide a suitable host rock for base metal mineralisation. This depth is also that at which the XCITE conductor is modelled to occur.

Detailed compilation of new and old exploration data is ongoing but there is now sufficient information available to initiate a drill program during the window of time that remains this season.

Patrick Verbeek
Managing Director

1. *Traka Quarterly Report Q/E 30 June 2018 ASX 17 Jul 2018*

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, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is engaged full time as the Managing Director of the Company. Mr Verbeek 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 the report of the matters based on his information in the form and context in which it appears.

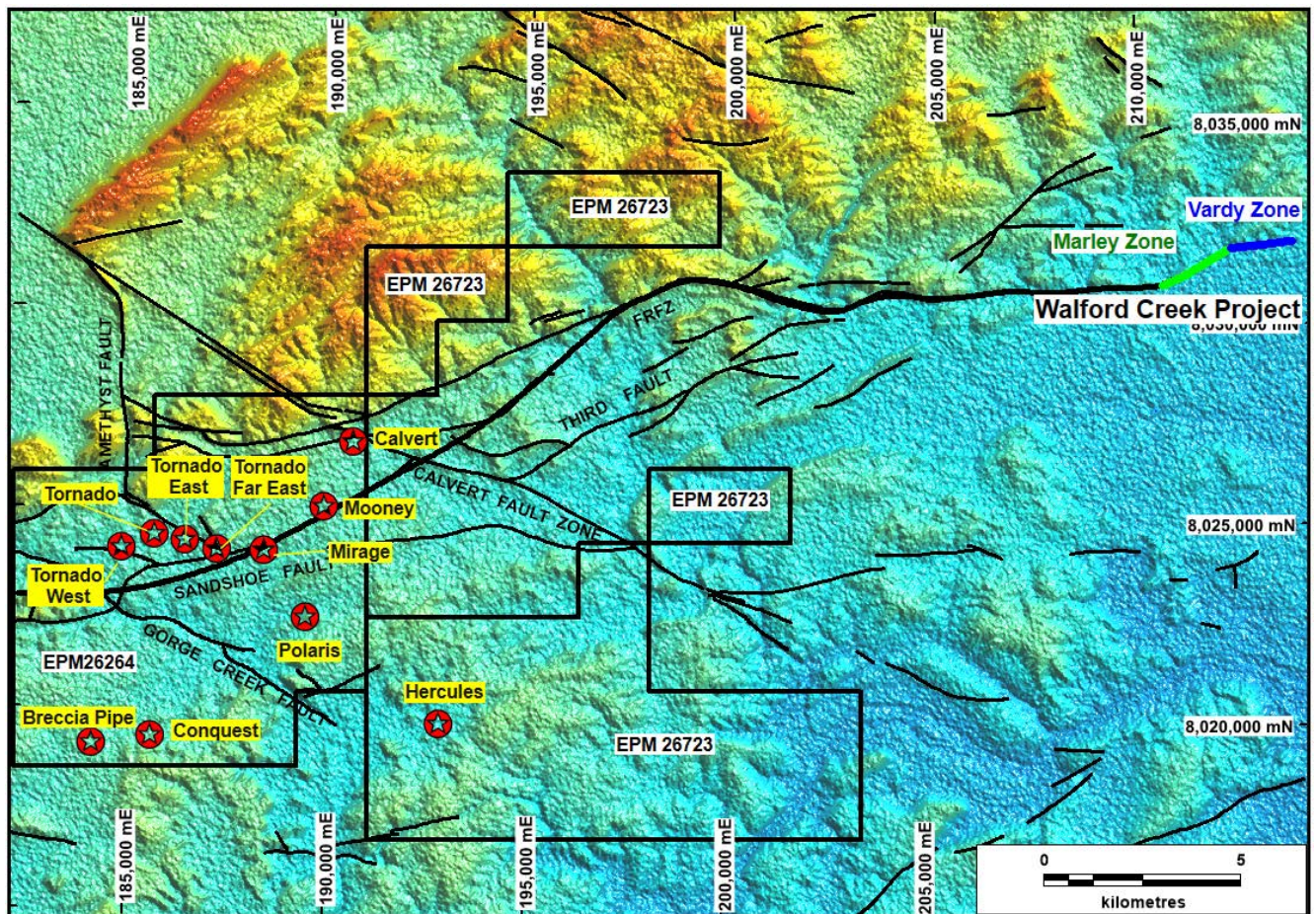


Figure 1: Gorge Creek JV EPM 26264 and 26723. A Digital Terrain Model showing the FRFZ and the locations of the targets currently being evaluated.