



Traka Resources Limited

ABN: 63 103 323 173

13 May 2019

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

Dear Sir / Madam,

Announcement of Entitlement Issue

Traka Resources Limited announces a non-renounceable pro-rata issue of up to 110,440,339 fully paid ordinary shares at a price of 1.3 cents each to all shareholders of the Company as at 20 May 2019, on the basis of 1 share (New Share) for every 3 shares held, to raise up to \$1,435,724 before expenses of this issue, which are estimated to be \$21,400.

The purpose of the issue is to fund exploration and evaluation expenditure on the Company's existing projects, as well as evaluation of new projects and to meet ongoing overhead expenditure.

The proposed timetable for this issue is set out below:

Announcement of Entitlement Offer and application for quotation (Appendix 3B)	13 May 2019
Lodgment of Prospectus with ASIC and ASX	13 May 2019
Despatch of notice to Shareholders containing Appendix 3B information	16 May 2019
Ex date - shares trade ex-entitlements	17 May 2019
Record Date for determining entitlements to New Shares	20 May 2019
Prospectus and Entitlement and Acceptance Form despatched and Offer opens	22 May 2019
Last day to extend the offer closing date	31 May 2019
Offer closes - latest date for acceptances and payment in full	5 June 2019
Shares quoted on a deferred settlement basis	6 June 2019
Notify ASX of undersubscriptions	11 June 2019
Issue date – New Shares entered in shareholders' holdings and deferred settlement ends	13 June 2019
Despatch of holding statements	14 June 2019

These dates are indicative only and may vary. The Company reserves the right to vary the opening and closing dates of the Entitlement Offer without prior notice. This may impact on subsequent dates.

An Appendix 3B – New issue announcement and application for quotation is attached.

A copy of the Prospectus dated 13 May 2019, lodged with ASIC today, is attached

Yours faithfully

Neil Tomkinson
Chairman

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

TRAKA RESOURCES LIMITED

ABN

63 103 323 173

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued | ORDINARY SHARES |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 110,440,339 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, rank equally with existing ordinary fully paid shares</p>
5	Issue price or consideration	<p>1.3 cents per share</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The proceeds of the capital raising will be used to:</p> <ul style="list-style-type: none"> a) fund part of the upcoming drilling and evaluation on the Gorge Creek Project, as well as ongoing exploration and evaluation work on the Musgrave Project and the Powder Puff Hill Project; b) fund evaluation of other new projects; c) meet ongoing administration and operating costs of the Company, including costs of this issue.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>Not applicable</p>
6c	Number of +securities issued without security holder approval under rule 7.1	<p>Not applicable</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of +securities issued under an exception in rule 7.2	Not applicable	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	13 June 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 441,761,357	+Class Ordinary Shares

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		450,000	Options exercisable at 2.39c by 19 Dec 2019
		650,000	Options exercisable at 7.4c by 8 Jan 2021
		2,000,000	Options exercisable at 4.67c by 16 Nov 2021
		850,000	Options exercisable at 1.75c by 4 Apr 2022
		3,950,000	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividend policy is currently in place since the Company is involved only in exploration.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1:3
14	+Class of +securities to which the offer relates	Ordinary fully paid shares
15	+Record date to determine entitlements	20 May 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be disregarded through rounding down.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	United Kingdom, Hong Kong, Japan, Singapore On account of the small number of shareholders and relatively small number of shares held in these jurisdictions, New Shares to which these shareholders would normally be entitled to, will form part of the Shortfall.
19	Closing date for receipt of acceptances or renunciations	5 June 2019

+ See chapter 19 for defined terms.

20	Names of any underwriters	Not applicable – the offer is not underwritten
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	22 May 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|--|-----------------------|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | Not applicable |
| 33 | +Issue date | 13 June 2019 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) ☒ +Securities described in Part 1
- (b) ☐ All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities **Not applicable**

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

Not applicable

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- ~~If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.~~

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Peter Rutledge
(~~Director~~/Company secretary)

Date: 13 May 2019

Print name: **Peter Rutledge**

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1 Not Applicable

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of *equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p>Notes:</p> <ul style="list-style-type: none"> <i>This applies to equity securities – not just ordinary securities</i> <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

PROSPECTUS

FOR AN ENTITLEMENT OFFER OF SHARES

DATED

13 MAY 2019

For a non-renounceable pro rata issue of up to 110,440,339
fully paid ordinary shares in Traka Resources Limited
at a price of 1.3 cents each
to all holders of ordinary shares in Traka Resources Limited as at 20 May 2019,
on the basis of 1 share for every 3 shares held, to raise up to \$1,435,724 before costs.

IMPORTANT NOTICE TO ALL SUBSCRIBERS TO THE OFFER

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
IT SHOULD BE READ IN ITS ENTIRETY**

If you are in doubt as to the course you should follow,
or you need an informed opinion, you should consult your
stockbroker, solicitor, accountant or other professional
adviser immediately

THIS ISSUE IS NOT UNDERWRITTEN

CORPORATE DIRECTORY

Directors

Neil Tomkinson
Non-executive Chairman

Patrick Verbeek
Managing Director

Joshua Pitt
Non-executive Director

George Petersons
Non-executive Director

Registered and Business Office

Suite 2, Ground Floor
43 Ventnor Avenue
West Perth WA 6005
Telephone: (08) 9322 1655
Facsimile: (08) 9322 9144
Email: traka@trakaresources.com.au
Website: www.trakaresources.com.au

Company Secretary

Peter Rutledge

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St George's Terrace
Perth, Western Australia 6000
GPO Box 2975, Melbourne, Victoria 3001
Telephone: 1300 850 505 (from overseas +61 3 9415 4000)
Facsimile: +61 3 9473 2500

Auditor

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Home Exchange

Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Traka Resources Limited (ABN 63 103 323 173) (Traka or the Company) is a public listed company incorporated and domiciled in Australia.

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SECTION 1 – EXPLANATION OF THE PROSPECTUS

This Prospectus is dated 13 May 2019. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission on that date. Neither ASIC nor Australian Securities Exchange is responsible for the contents of this Prospectus.

This Prospectus is a transaction specific prospectus issued in accordance with Section 713 of the Corporations Act 2001, which allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is therefore intended to be read in conjunction with publicly available information in relation to the Company which has been notified to ASX; it does not include all information that would be included in a prospectus for an initial offering of securities of a company that is not already listed on ASX. Accordingly, shareholders should read this Prospectus in its entirety and should also have regard to other publicly available information in relation to the Company before deciding whether to apply for securities under this Prospectus. Refer to Section 2.1 for further information in this regard.

The securities offered under this Prospectus are shares (the New Shares) in a class of shares that are listed for quotation on a stock market of ASX.

No securities will be issued on the basis of this Prospectus after the Expiry Date which is 13 months after the date of this Prospectus.

All monetary amounts referred to in this Prospectus are expressed in Australian Dollars.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia (other than New Zealand) may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restriction. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

SECTION 2 – INFORMATION AVAILABLE

2.1 Continuous Disclosure

Traka Resources Limited is a "disclosing entity" for the purposes of Section 111AC of the Corporations Act 2001. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Disclosing entities are, pursuant to the Corporations Act 2001, required to issue a prospectus satisfying the test set out in Section 713 of the Corporations Act 2001, where the securities offered by the prospectus are to be quoted and the securities are in a class of securities that were quoted securities at all times in the twelve months before the issue of the prospectus.

The Company believes that it has complied with the general and specific requirements of ASX (as applicable from time to time throughout the twelve months before the issue of this Prospectus) which require the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to a stock market conducted by ASX, and thereby keep the market fully informed.

The shares offered by this Prospectus are considered to be in a class of securities that have been enhanced disclosure securities at all times during the twelve months prior to the issue of this Prospectus.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Information that is already in the public domain has not been reported in this Prospectus other than that information which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents free of charge to any person who so requests during the application period under this Prospectus:

- (a) the Annual Report for the Company for the year ended 30 June 2018;
- (b) the Interim Financial Report for the Company for the half-year ended 31 December 2018; and
- (c) the following documents, being all the continuous disclosure notices used to notify ASX of information relating to the Company during the period after lodgement on 16 October 2018 of the Annual Financial Report referred to in (a) and before the lodgement of this Prospectus with ASIC:

Lodgement Date	Headline/Description of Announcement
16 October 2018	Notice of Annual General Meeting
16 October 2018	Corporate Governance Statement
16 October 2018	Corporate Governance Appendix 4G
31 October 2018	Quarterly Activities, Cashflow and Tenement Report
26 November 2018	Annual General Meeting Presentation
26 November 2018	Results of Annual General Meeting
20 December 2018	Change of Director's Interest Notice
31 January 2019	Quarterly Activities, Cashflow and Tenement Report
9 April 2019	Issue of unlisted staff options
29 April 2019	Quarterly Activities, Cashflow and Tenement Report
9 May 2019	Exploration update – Mt Cattlin and Gorge Creek

2.2 Effect of this Prospectus

When this Prospectus is forwarded to members of the Company they shall have been served with a prospectus for the purpose of the application for the allotment of and the issue of New Shares.

2.3 Website – Electronic Prospectus

This Prospectus will not be issued as an electronic Prospectus but a copy of the Prospectus excluding the Entitlement and Acceptance Form may be accessed and downloaded for general information purposes only, from the Company's website on the internet at www.trakaresources.com.au

SECTION 3 – SUMMARY OF THE OFFER AND TIMETABLE OF IMPORTANT DATES

3.1 The Entitlement Offer

Up to 110,440,339 fully paid ordinary shares in Traka are being offered at a price of 1.3 cents each to all holders of ordinary shares in the Company as at 20 May 2019 on the basis of 1 share for every 3 shares held, to raise up to \$1,435,724 before costs.

The issue is not underwritten.

3.2 Timetable of Important Dates

Announcement of Entitlement Offer and application for quotation (Appendix 3B)	13 May 2019
Lodgement of Prospectus with ASIC and ASX	13 May 2019
Despatch of notice to Shareholders containing Appendix 3B information	16 May 2019
Ex date - shares trade ex-entitlements	17 May 2019
Record Date for determining entitlements to New Shares	20 May 2019
Prospectus and Entitlement and Acceptance Form despatched and Offer opens	22 May 2019
Last day to extend the offer closing date	31 May 2019
Offer closes - latest date for acceptances and payment in full	5 June 2019
Shares quoted on a deferred settlement basis	6 June 2019
Notify ASX of undersubscriptions	11 June 2019
Issue date – New Shares entered in shareholders' holdings and deferred settlement ends	13 June 2019
Despatch of holding statements	14 June 2019

These dates are indicative only and may vary. The Company reserves the right to vary the date that the Entitlement Offer opens and closes without prior notice. This may impact on subsequent dates. Applicants are encouraged to apply as soon as possible after the Entitlement Offer opens as it may close earlier than the date specified. The Company reserves the right not to continue with the Entitlement Offer at any time before the allotment of New Shares to successful applicants.

SECTION 4 – CHAIRMAN’S LETTER

Dear Shareholder,

The purpose of the Entitlement Offer detailed in this Prospectus is to provide Traka with funding necessary to advance its four principal exploration projects, with particular reference to the exciting Gorge Creek Project, and to meet the Company's ongoing working capital requirements. A brief summary of each of the principal projects follows. A more detailed update on the Company's projects is set out in the Company's Activities and Cashflow Report for the quarter ended 31 March 2019 announced to ASX on 29 April 2019 and a subsequent exploration update announced on 9 May 2019.

The Gorge Creek Project

Gorge Creek is Traka's principal 2019 exploration project with targets for copper, cobalt, lead and zinc mineralisation. These targets are drill-ready with the reverse circulation drill program expected to comprise about 4,000 metres and planned to commence in late May this year. Your board is particularly excited by Gorge Creek in the light of the success, at Walford Creek nearby to the east, of the exploration efforts of another listed exploration company in its search for copper/cobalt orebodies, as Gorge Creek is located on similar prospective stratigraphic sequences and structures (for details refer Traka's Activities Report announced to ASX on 29 April 2019).

Traka has the right to earn a 51% interest in Gorge Creek by expending \$1 million over three years, with expenditure expected to exceed this amount during the planned drilling.

The Musgrave Project

The Company continues to maintain a very substantial exploration portfolio in the Musgraves. However, delays in obtaining access have hindered the progress of exploration activity. Priority continues to be given for access to the 13km long Araplate copper, nickel and cobalt target where Traka has a grant of \$150,000 towards its drilling activities from the West Australian Government's Exploration Incentive Scheme.

The Ravensthorpe Project area

Galaxy Resources Limited has recently completed a number of drill holes targeting pegmatite hosted lithium deposits on the Traka joint venture area and results are awaited. Traka is free carried through to commencement of production of lithium and tantalum from the joint venture tenements.

Powder Puff Hill Project

A wide-spaced reconnaissance level geochemical sampling program has been completed on the northern tenement of the project. This tenement is along strike of the Quicksilver nickel and cobalt discovery.

Funds raised from this offer will allow Traka to fully test its Gorge Creek Project targets and to continue to move forward on exploration in the Musgraves and at Powder Puff Hill.

Fellow Director Joshua Pitt and I have, through associated companies, committed to Traka to take up our entitlements in this Offer in full, effectively underwriting the raising to the extent of 13.8%. It follows that I have no reservations in recommending that you support the issue and Traka's participation in the exciting Gorge Creek drilling program.

Neil Tomkinson
Chairman
13 May 2019

SECTION 5 – PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

5.1 Purpose of the Entitlement Offer

The Entitlement Offer will raise funds for the following purposes:

- (a) to fund part of the upcoming drilling and evaluation on the Gorge Creek Project, as well as ongoing exploration and evaluation work on the Musgrave Project and the Powder Puff Hill Project;
- (b) to fund evaluation of other new projects;
- (c) to meet ongoing administration and operating costs of the Company, including the costs of this issue.

The estimated allocation of funds to be raised is as follows:	<u>\$000</u>
Drilling and evaluation expenditure on the Company's Gorge Creek Project	600
Exploration and evaluation expenditure on the Company's Musgrave and Powder Puff Hill Projects	200
Evaluation of new projects	100
Ongoing administration and operating costs including costs of this issue	<u>535</u>
Gross proceeds of the Entitlement Offer	<u>1,435</u>

5.2 Effect of this Entitlement Offer on the Company's Capital Structure

The capital structure before and after the Entitlement Offer is presented below based on the assumptions that:

- (a) the holders of unlisted staff and director options in the Company will not convert their holdings to fully paid shares before the Record Date;
- (b) all Entitlements are taken up.

ORDINARY SHARES FULLY PAID	No of shares
On issue	331,321,018
New Shares	110,440,339
After this Issue	<u>441,761,357</u>

5.3 Effect of this Entitlement Offer on the Company's Statement of Financial Position

The Company's audit-reviewed Statement of Financial Position as at 31 December 2018 (Audit-reviewed Statement) has been used as the basis for preparing an unaudited Proforma Post-Issue Statement of Financial Position (Proforma Statement) that reflects the effect of the issue of the New Shares arising from this Entitlement Offer as well as the effect of cash transactions that have occurred during the quarter ended 31 March 2019 (reported in the Company's Cashflow Report announced to ASX on 29 April 2019).

The Audit-reviewed Statement and the Proforma Statement are set out alongside each other below. The assumptions and adjustments that have been made to arrive at the Proforma Statement are summarised below:

- (a) it is assumed that the holders of unlisted options in the Company will not convert their holdings to fully paid shares before the Record Date;
- (b) it is assumed that all Entitlements are taken up, raising \$1,414,352 after expenses of the Issue;
- (c) the Company's net cash outflows of \$225,000 reported for the quarter ended 31 March 2019 (in the Company's Cashflow Report announced to ASX on 29 April 2019) have been incorporated into the Proforma Statement to update the Company's cash position to 31 March 2019 before reflecting the effect of the issue of the New Shares.

STATEMENT OF FINANCIAL POSITION

	Audit- reviewed 31 Dec 2018	Unaudited Proforma Post-Issue
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	962,652	2,152,004
Trade and other receivables	23,737	20,737
TOTAL CURRENT ASSETS	<u>986,389</u>	<u>2,172,741</u>
NON-CURRENT ASSETS		
Plant and equipment	17,648	17,648
TOTAL NON-CURRENT ASSETS	<u>17,648</u>	<u>17,648</u>
TOTAL ASSETS	<u>1,004,037</u>	<u>2,190,389</u>
CURRENT LIABILITIES		
Trade and other payables and provisions	55,452	21,952
TOTAL CURRENT LIABILITIES	<u>55,452</u>	<u>21,952</u>
TOTAL LIABILITIES	<u>55,452</u>	<u>21,952</u>
NET ASSETS	<u>948,585</u>	<u>2,168,437</u>
EQUITY		
Issued capital	17,311,563	18,725,915
Reserves	840,008	840,008
Accumulated losses	<u>(17,202,986)</u>	<u>(17,397,486)</u>
TOTAL EQUITY	<u>948,585</u>	<u>2,168,437</u>

5.4 Consequences of a shortfall

As set out in Section 6.5 of this Prospectus, Director Linked Entities have committed to take up their full entitlement under this Offer. If the total of all funds raised from acceptances of Entitlements and applications for Additional Shares is less than the \$1,414,352 (after expenses of the issue) being sought in this Offer, the Company has the ability to amend its expenditure budgets accordingly while the Directors consider other options, which may include the sale of exploration assets or alternative equity raising opportunities.

SECTION 6 – DETAILS OF THE ENTITLEMENT OFFER

6.1 The Offer

This Prospectus invites all existing holders of ordinary shares in the Company to participate in a pro-rata non-renounceable Entitlement Offer of New Shares in Traka on the basis of 1 New Share for every 3 Shares held on the Record Date at an issue price of 1.3 cents per New Share. Fractional entitlements will be disregarded through rounding down.

The holders of 3,950,000 unlisted options to acquire ordinary shares in the Company will not be entitled to participate in the Entitlement Offer in respect of their options. They must first exercise their options converting them to Shares before the Record Date.

Assuming existing options are not exercised (for the reason set out below), the Entitlement Offer is for up to 110,440,339 New Shares and will raise, on a fully subscribed basis, \$1,435,724 before costs (estimated to be approximately \$21,000). There is no minimum subscription.

It is assumed that existing option holders, comprising members of staff and a Director of the Company, will not choose to exercise their options before the Record Date because the exercise price of the options exceeds the current market price of the Company's shares. However, should all of the 3,950,000 outstanding options be exercised before the Record Date and the resulting entitlements to New Shares be taken up, this would result in an additional 1,316,666 New Shares being issued and an additional \$184,247 being raised from conversion of the options and the taking up of the entitlements.

6.2 No Rights Trading

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly there will be no rights trading on ASX.

6.3 Opening and Closing Dates

The Entitlement Offer will open for receipt of acceptances at 10.00 am WST on **Wednesday 22 May 2019** and will close at 5.00 pm WST on **Wednesday 5 June 2019** or such later date not exceeding 13 months from the date of this Prospectus as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

6.4 Not underwritten

The Offer is not underwritten.

6.5 Directors' Support of the Offer and Effect of Control and Dilution

Entities associated with two of the Company's Directors, Mr Neil Tomkinson and Mr Joshua Pitt, (together referred to as the Director Linked Entities) currently hold a 13.8% relevant interest in the shares of the Company, and have committed to take up their full entitlement under this Offer.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by up to 25% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	20,000,000	6.04%	6,666,666	20,000,000	4.53%
Shareholder 2	7,000,000	2.11%	2,333,333	7,000,000	1.58%
Shareholder 3	5,000,000	1.51%	1,666,666	5,000,000	1.13%
Shareholder 4	1,000,000	0.30%	333,333	1,000,000	0.23%
Shareholder 5	500,000	0.15%	166,666	500,000	0.11%
Shareholder 6	100,000	0.03%	33,333	100,000	0.02%

Note: The dilutionary effect shown in the table represents the maximum diluted percentage on the assumption that those Entitlements not accepted are successfully placed under the Shortfall Facility.

6.6 Share Market Trading

The latest available market sale price of the Company's shares on ASX on the trading day immediately before the announcement of the terms of the Entitlement Offer was 1.5 cents on 10 May 2019.

The highest and lowest recorded sale prices of the Company's shares during the three months immediately preceding the announcement of this issue and the respective dates of those sales were:

Highest price:	1.7 cents	Date:	15 February 2019
Lowest price:	1.1 cents	Date:	7 May 2019

6.7 Entitlements and Acceptances

Your entitlement to New Shares is set out in the accompanying Entitlement and Acceptance Form.

The Entitlement Offer is non-renounceable and accordingly you may not dispose of any part of your entitlement.

You may:

- Accept your entitlement in full – refer below; or
- Accept part of your entitlement and allow the balance to lapse – refer below; or
- Not accept any of your entitlement and allow it to lapse – refer below.

Acceptance of Entitlement in Full

If you wish to accept your entitlement in full, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form and submit your acceptance either electronically by BPAY® **no later than 3.00 pm WST on the Closing Date**, or, together with a cheque, by mail so that it is received at the Company's Share Registry **no later than 5.00 pm WST on the Closing Date**. If you are using BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

Partial Acceptance of Entitlement

If you wish to accept part of your entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form for that part of your entitlement that you wish to accept and submit your acceptance either electronically by BPAY® **no later than 3.00 pm WST on the Closing Date**, or, together with a cheque, by mail so that it is received by the Company's Share Registry **no later than 5.00 pm WST on the Closing Date**. If you are using BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

Non-Acceptance of Entitlement

If you do not wish to take up any part of your entitlement, you are not required to take any action.

Payment for Acceptances by cheque or BPAY®

Entitlements may be taken up by submitting the completed Entitlement and Acceptance Form together with your cheque or money order, made payable to "Traka Resources Limited" and crossed "Not Negotiable", to:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Vic 3001 Australia

to be received **no later than 5pm WST on the Closing Date**.

Alternatively, entitlements may be taken up electronically using BPAY®, in which case you are not required to return the Entitlement and Acceptance Form. You can simply make payment for the total number of shares accepted by using the Biller Code and the personalised Reference Number set out on your Entitlement and Acceptance Form. You must ensure that acceptance and payment by BPAY® is received **no later than 3pm WST on the Closing Date**.

Instructions for payment using BPAY® are set out in your Entitlement and Acceptance Form. You should be aware that your own financial institution may impose earlier cut-off times with regard to electronic payments and you should therefore take this into consideration when making payment. It is the responsibility of the Eligible Shareholder to ensure that funds submitted through BPAY® are received by the Closing Date.

6.8 Additional Shares – Shortfall Facility

Entitlements not taken up will constitute the Shortfall and these shares may be issued and allotted at the discretion of the Directors.

Neither the Director Linked Entities nor any other Director will apply for shares under the Shortfall Facility.

If you accept your Entitlement in full you may apply for Additional Shares to be issued to you from the Shortfall.

This can be done by completing the Additional Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the Form, and including the consideration for these Additional Shares with the payment for your entitlement shares. As set out in Section 6.7, payment can be made by cheque / money order accompanying the Entitlement and Acceptance Form, or by BPAY®.

The Directors will retain discretion in assessing the number and basis of allocation of Additional Shares applied for from the Shortfall.

If the number of Additional Shares applied for exceeds the number of shares in the Shortfall, the Directors at their discretion will determine the basis of the scale-back of applications to determine the number of Additional Shares to be allotted to applicants.

If the number of Additional Shares applied for and allotted is less than the number of shares in the Shortfall, all or part of the balance remaining after allotment of the Additional Shares may be allotted at the Directors' discretion, within 3 months of the Closing Date of this Offer, at a price no less than the price of this Offer.

Enquiries

If you have any queries regarding your Entitlement, Acceptance of your Entitlement or Application for Additional Shares, please contact the Company by telephone on **(08) 9322 1655** (from New Zealand +61 8 9322 1655) or your stockbroker or professional adviser.

6.9 Issue and Allotment of New Shares

The New Shares are expected to be issued and allotted by no later than 13 June 2019 and holding statements will be despatched one business day after the issue. Until the issue and allotment of the New Shares under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only, as required by the Corporations Act. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place or not.

6.10 ASX Listing

The Company has made application to ASX for the official quotation of the New Shares offered by this Prospectus. If approval is not granted by ASX for the official quotation of the New Shares within three (3) months after the date of this Prospectus, the Company will not allot or issue any New Shares and will repay all application monies (where applicable) within the time prescribed under the Corporations Act 2001, without interest.

The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

6.11 CHESS System

The Company participates in the Clearing House Electronic Subregister System (CHESS). ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532 (ASTC), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the offer made under this Prospectus.

Shareholders who are broker-sponsored will receive a CHESS statement from ASTC.

Shareholders registered under the Issuer Sponsored subregister will receive an Issuer Sponsored statement from the Company's Share Registry.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

6.12 Overseas Investors

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Given the small number of shareholders registered with overseas addresses other than New Zealand, the number and value of New Shares these shareholders would be offered and the cost of regulatory compliance in those overseas jurisdictions, it is not practicable to extend this offer to shareholders other than those with Australian and New Zealand registered addresses. Consequently no offer of entitlements will be made to shareholders with registered addresses outside Australia and New Zealand.

New Shares to which Eligible Shareholders who are not residents of Australia and New Zealand would otherwise be entitled will form part of the Shortfall.

New Zealand shareholders

The New Shares are being offered to existing shareholders of the Company with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

Shareholders resident in New Zealand should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to accept their entitlements under this Offer.

6.13 No issue of New Shares after the Expiry Date

No New Shares will be issued on the basis of this Prospectus later than the Expiry Date.

6.14 Ranking of New Shares

The New Shares will rank equally in all respects with the Company's existing issued fully paid ordinary shares. The Company currently has 331,321,018 fully paid ordinary shares on issue.

6.15 Dividend Policy

As the Company is an exploration company the Directors have not to date considered it necessary to formulate a dividend policy. A dividend policy will become appropriate in the event of the development of a cash flow which leads to trading profits.

6.16 Taxation Implications

The Directors do not consider that it is appropriate to give shareholders advice regarding the taxation implications of applying for New Shares under the Entitlement Offer. Neither the Company nor its advisers or Directors accept any responsibility or liability for any taxation consequences to shareholders. Shareholders should therefore consult their professional tax adviser in relation to any taxation implications of the Entitlement Offer which may be relevant to them.

SECTION 7 – INVESTMENT CONSIDERATIONS - RISKS

The shares offered pursuant to this Prospectus are speculative.

The value of the Company's shares can and does fluctuate depending on various factors including the general economic conditions in Australia, world-wide prices of metals and minerals, increases in operating costs in the Company's areas of operation and non-Australian factors which influence the Australian share market.

The ownership of the Company's shares involves certain risks and shareholders in doubt should consult their stockbroker or financial adviser for advice. Factors which in the opinion of the Directors should be taken into account include:

Equity Markets

The price of shares quoted for trading by ASX is impacted by various international and domestic factors. As the Company is listed on ASX, its share price is subject to these numerous influences that may reflect both the trends in the share market and the share prices of individual companies.

Government

In Australia, where the Company operates, Government policies are subject to review and change from time to time and the Company relies upon Government agencies promptly and favourably dealing with applications and consents. Such matters are likely to be beyond the control of the Company. Changes in community attitudes on matters such as taxation, environment and landholder issues may bring about reviews and possible changes in government policies and regulations. Any such government action or inaction may limit or prohibit operations or require increased capital or operating expenditure and could adversely impact the Company's business.

Taxation

The Company is subject to various forms of taxation in Australia. There is an ongoing risk that changes to taxation legislation or the interpretation or enforcement of taxation laws or regulations may adversely impact revenues in the future, and therefore the financial performance of the Company.

Economic Conditions and Project Delays

Domestic and global economic conditions may affect Company performance. Factors such as inflation, interest rates, prices and availability of critical supplies, such as gas, oil, power and water may delay operations and impact operating costs and may adversely affect the prospects of the Company. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and its Directors.

Contractual and Other Legal Risks

All permits and contracts entered into by the Company are subject to interpretation. There is no guarantee that the Company will be able to enforce all its presumed rights under its permits and contracts. The introduction of new legislation or amendments to existing legislation or changes in regulation or administrative practices by governments, developments in existing common law or civil law, or the interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets and operations and therefore on the financial performance and share price of the Company.

Litigation Risk

Exposure to litigation brought by third parties such as joint venture participants, contractors, regulators, or employees could negatively impact on the Company and its operations and licences. Legal claims, if successful could adversely impact the profits or financial position of the Company.

Exploration and Appraisal Risk

Potential investors should understand that mineral projects are high-risk undertakings. There can be no assurance that exploration of the Company's tenements will result in the discovery of economic mineral reserves. The estimated costs of the Company are based on certain assumptions. By their nature, these estimates and assumptions are subject to significant uncertainties and, as a result, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, factors which may materially and adversely affect the Company.

Title Risks

Interests in tenements are governed by the granting of licences or leases by the appropriate government authorities. The conduct of operations and the steps involved in acquiring all licences and permits involve compliance with numerous procedures and formalities. It is not always possible to correctly interpret, comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly complied with. In some cases, difficulty in following such requirements or obtain relevant evidence may call into question the validity of the titles.

Speculative Nature of Investment

This list of risk factors is not exhaustive of the risks faced by the Company or by investors in the Company. Potential investors should also have regard to the Company's prior publications and announcements. The above factors, and others not referred to specifically above, may in the future materially affect the financial performance of the Company and the value of the shares offered under this document. Potential investors should treat the investment in the Company as speculative and should consult their stockbroker or professional advisers before deciding whether to apply for shares.

SECTION 8 – ADDITIONAL INFORMATION

8.1 Interests of Directors

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or its promotion of the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director or otherwise, for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or offer of the securities.

Directors' Shareholdings

Directors' interests in the share capital of the Company as at the date of this Prospectus are shown below:

Director	Ordinary Shares Fully Paid	Options
J N Pitt	24,222,915	-
N Tomkinson	21,526,752	-
P Verbeek	13,281,426	2,000,000
G J Petersons	1,453,332	-

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 45,749,667 ordinary shares (13.81%).

Mr Verbeek's options, exercisable at 4.67 cents per option, expire on 16 November 2021.

Directors' Remuneration

Details relating to the remuneration of Directors are set out in the Remuneration Report section of the Directors' Report and Note 17 of the Notes to the Financial Statements contained in the Company's 2018 Annual Report lodged with ASX on 16 October 2018. There have been no changes to the level of Directors' remuneration since that date.

8.2 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or offer of the securities.

8.3 Consent

HLB Mann Judd consents to:

- a) being named by reference in this Prospectus as the auditor for the Company, and
- b) the distribution of electronic and paper copies of the Prospectus.

HLB Mann Judd has not authorised or caused the issue of the Prospectus and the maximum extent permitted by law, expressly disclaims and takes no responsibility for any other part of the Prospectus.

HLB Mann Judd has not withdrawn the consent prior to lodgement of the Prospectus with ASIC.

8.4 Substantial Shareholders

As at the date of this Prospectus the following substantial shareholdings have been recorded:

Name	Shares Held	% of Issued Capital
Tattersfield Group	46,019,049	13.89%
Perth Capital Pty Ltd, Elohpool Pty Ltd and associates	45,749,667	13.81%
WMG Yovich	20,936,264	6.32%

8.5 Rights Attaching To Shares

Details of the rights attaching to the Company's shares are set out in Note 12 of the Notes to the Financial Statements in the Company's 2018 Annual Report lodged with ASX on 16 October 2018 and in the Constitution of the Company, a copy of which can be inspected at the Company's registered office at Suite 2, Ground Floor, 43 Ventnor Avenue, West Perth during normal business hours.

8.6 Corporate Governance

The Company has adopted comprehensive corporate governance policies. These policies are set out on the Company's website at:

<http://www.trakaresources.com.au/corporate-governance>

SECTION 9 – DIRECTORS' RESPONSIBILITY STATEMENT AND CONSENTS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that no statements made by the Directors in this Prospectus are misleading or deceptive and that, in respect of any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or, to the Directors knowledge, are not likely to withdraw such consent before any issue of New Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed in accordance with a resolution of the Directors.

N Tomkinson
Chairman

Dated 13 May 2019

SECTION 10 - GLOSSARY OF DEFINED TERMS

"Additional Shares" means New Shares applied for under the Shortfall Facility;

"ASIC" means the Australian Securities and Investments Commission;

"ASTC" means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532;

"ASX" means ASX Limited as operator of the Australian Securities Exchange;

"Board" means the Board of Directors of the Company;

"Business Day" means Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"CHESS" means ASX's Clearing House Electronic Subregister System;

"Closing Date" means 5.00pm WST on 5 June 2019 or such other date as may apply under terms hereof;

"Company" or **"Traka"** means Traka Resources Limited ABN 63 103 323 173;

"Corporations Act" means the Corporations Act 2001 (Cth) as amended from time to time;

"Directors" means the directors of the Company;

"Director Linked Entities" means entities associated with two of the Company's Directors, Mr Neil Tomkinson and Mr Joshua Pitt, which constitute a substantial shareholder of the Company;

"Entitlement" means the entitlement of an Existing Shareholder to apply for New Shares under the Entitlement Offer;

"Entitlement Offer" or **"Offer"** means the non-renounceable pro-rata issue pursuant to this Prospectus, of up to 110,440,339 New Shares on the basis of one New Share for every three Shares held on the Record Date, at an issue price of 1.3 cents per New Share, to raise up to \$1,435,724 before expenses of the Issue;

"Entitlement and Acceptance Form" or **"Form"** means the personalised Entitlement and Acceptance Form accompanying this Prospectus;

"Ex Date" means 17 May 2019 being the date from which Shares trade without the Entitlement;

"Existing Shareholder" means a shareholder of the Company whose details appear on the Company's register of shareholders at the Record Date;

"Eligible Shareholder" means an Existing Shareholder who is entitled to participate in the Entitlement Offer under the Listing Rules or other ASX requirements;

"Expiry Date" is the date 13 months after the date of this Prospectus;

"Issue" means the issue of New Shares pursuant to this Prospectus;

"Listing Rules" means the Listing Rules of ASX;

"Lodgement Date" means the date of lodgement of the Prospectus with ASIC – that is 13 May 2019;

"New Shares" means the Shares to be issued pursuant to this Prospectus;

"Offer" means the offer of New Shares pursuant to this Prospectus;

"Official Quotation" means official quotation by ASX in accordance with the Listing Rules;

"Opening Date" means 10.00am WST on 22 May 2019 or such other date as may apply under the terms hereof;

"**Prospectus**" means this prospectus dated 13 May 2019;

"**Record Date**" means 5.00pm WST on 20 May 2019;

"**Share Registry**" means Computershare Investor Services Pty Limited;

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholder**" means a holder of ordinary shares in Traka;

"**Shortfall**" means the New Shares forming Entitlements, or parts of Entitlements, not accepted by Existing Shareholders;

"**Shortfall Facility**" means the facility to apply for Additional Shares to be allotted from the Shortfall;

"**WST**" means Australian Western Standard Time;

"**\$**" means Australian dollars unless otherwise stated.