



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report

for the three months ended 30 June 2019

Summary

Gorge Creek Joint Venture (Cu, Co, Pb and Zn)

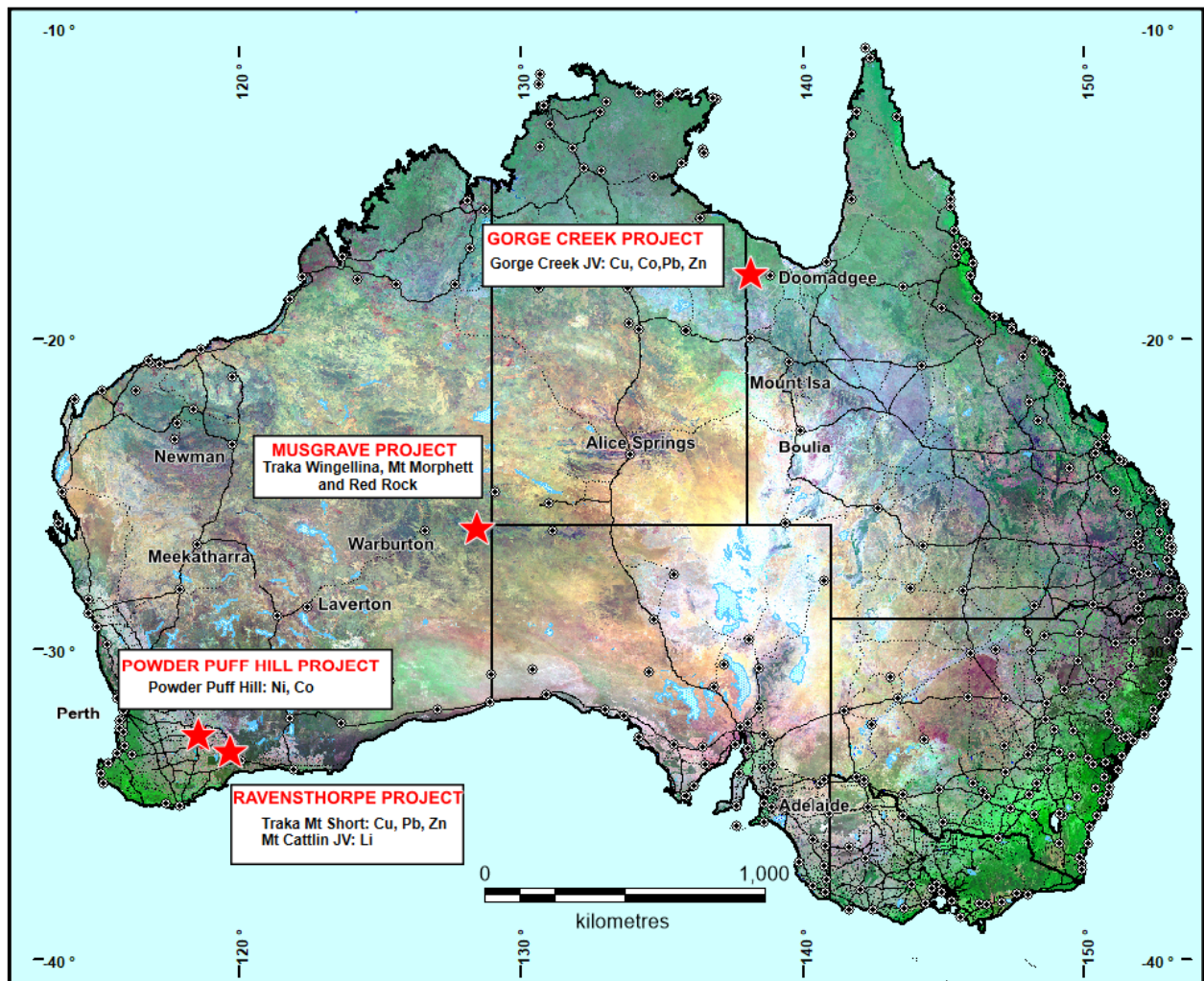
- A Reverse Circulation (RC) drilling program comprising 21 holes for 2682 metres was completed on 7 July 2019.
- Five targets on the Sandshoe Fault were tested within the limits of RC drilling. Cu, Pb and Zn mineralisation within and immediately peripheral to the fault was observed in drill chips and indicated by pXRF.
- Three targets prospective for stratabound style mineralisation were also tested. Wide intervals of low grade Pb and Zn mineralisation within pyritic carbonaceous shale were indicated. The extent of low grade mineralisation appears very large and is an encouraging feature but a review is now underway to determine the geological controls for higher grade mineralisation within the low-grade envelope.
- Drill samples have been submitted for assay and results are expected in about 1 month's time.
- Traka has exceeded total expenditure of \$1 million on Gorge Creek and has now earned 51% equity in the project. Traka's joint venture partner Cobalt Qld Pty Ltd (Cobalt) elected to contribute to the drill program at the point in time that the \$1 million expenditure was reached. With additional expenditure into the future Cobalt can retain its 49% equity position.

Mt Cattlin North Joint Venture (Li₂O)

- An RC drilling program is underway on the Enduro Prospect to test to depth outcropping lithium bearing pegmatite mineralisation.

Corporate

- An Entitlement Offer to shareholders raised working capital of \$508,845 before costs. Directors have the ability to place the shortfall of 71,298,398 shares at their discretion before 5 September 2019.



Location plan of Traka's Projects

The Gorge Creek Project (Cu, Co, Pb and Zn) **(Traka 51%)**

An RC drilling program comprising 21 holes for a total of 2,682 metres (Table 1) was completed on 7 July 2019. Portable X-Ray Fusion (pXRF) readings and geological logging of drill holes highlighted copper (Cu), lead (Pb) and zinc (Zn) mineralisation on the Fish River Fault Zone (FRFZ) targets as well as on the stratabound targets to the south (Figure 1). Drill samples for the mineralised intervals have been submitted to the laboratory and results are expected in about 4 weeks' time.

In the course of the drill program Traka exceeded total project expenditure of \$1 million and is now entitled to 51% equity in the joint venture tenements (EPM 26264 and 26723). Our joint venture partner Cobalt Qld Pty Ltd (Cobalt) elected to contribute to the work program at the point in time the \$1 million expenditure was reached. With additional expenditure into the future Cobalt can retain its 49% equity in the joint venture or may elect to dilute.

Hole Id	Easting (MGA94-Z54)	Northing (MGA94-Z54)	Prospect	Depth (m)	Azimuth (degree)	Dip (degree)
GC122	188601	8023956	Mirage	200	0	-60
GC123	188385	8023932	Mirage	174	0	-60
GC124	187195	8023979	Tornado Far East	66	10	-60
GC125	185648	8024340	Tornado	96	270	-60
GC126	185574	8024345	Tornado	30	270	-60
GC127	185751	8024345	Tornado	186	270	-60
GC128	185624	8024208	Tornado	48	0	-70
GC129	185668	8024124	Tornado	54	0	-70
GC130	183798	8019149	Breccia Pipe	372	190	-70
GC131	185947	8019751	Conquest	198	0	-90
GC132	189911	8025178	Mooney	73	170	-60
GC133	189930	8025085	Mooney	108	170	-60
GC134	184673	8018833	Breccia Pipe	268	90	-70
GC135	185640	8023657	Tornado South	160	0	-70
GC136	185638	8023640	Tornado South	102	180	-60
GC137	185630	8023593	Tornado South	108	0	-70
GC138	185642	8023900	Tornado South	36	0	-70
GC139	184817	8024008	Tornado West	18	195	-60
GC140	184819	8024010	Tornado West	66	195	-60
GC141	189929	8025099	Mooney	90	170	-60
GC142	192688	8019746	Hercules	229	0	-90
Total				2682 m		

Table 1. Gorge Creek RC drill program details

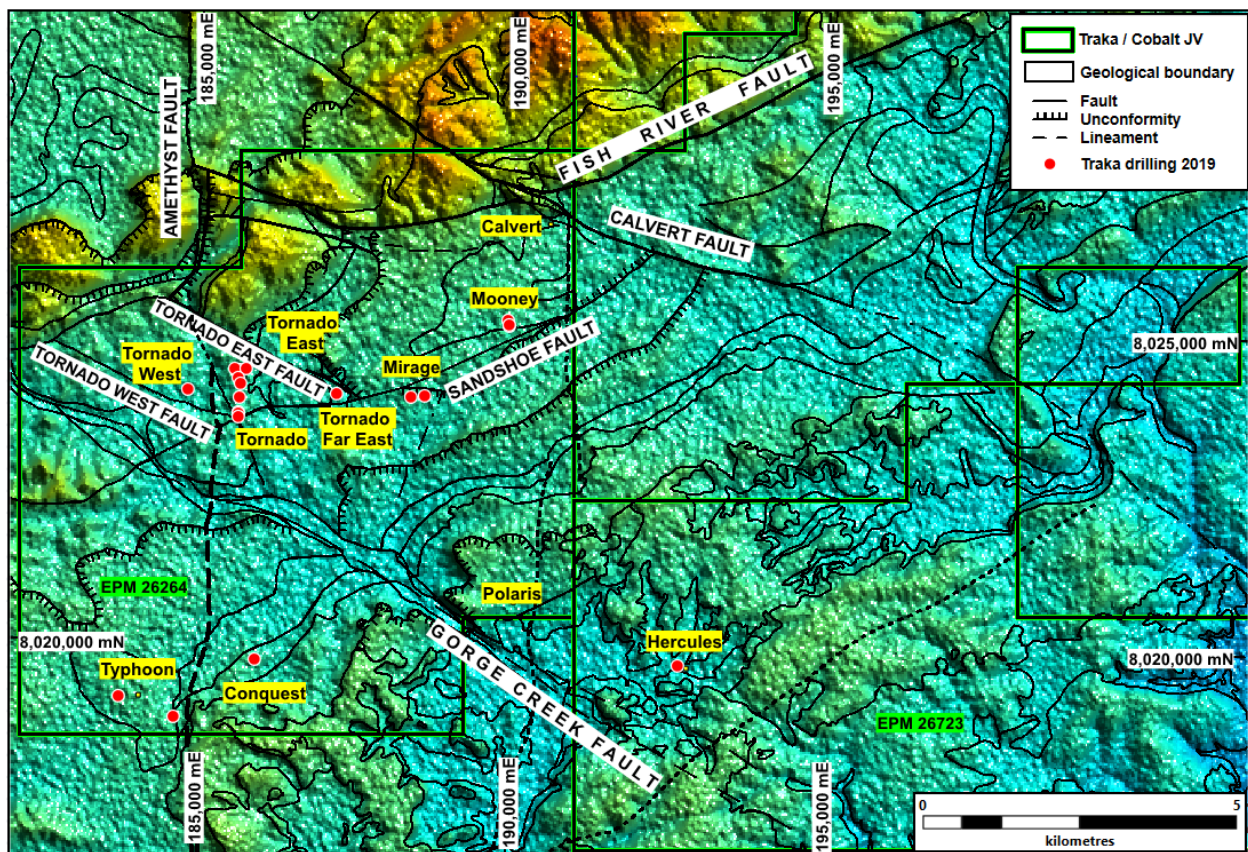


Figure 1. The Gorge Creek Project showing target's positions over digital terrain image

A preliminary summary of the findings to date follows:

Targets on the Fish River Fault Zone (FRFZ)

Five of the six targets originally selected for Reverse Circulation (RC) drilling were tested in this program ⁽¹⁾. These targets are considered to be prospective for the structurally controlled Walford Creek style Cu, and cobalt (Co) mineralisation as being evaluated by Aeon Metals Ltd (Aeon) along the FRFZ to the east ⁽²⁾.

The Sandshoe Fault is the dominant FRFZ structure in Traka's joint venture tenement and the five targets drilled were the Mooney, Mirage, Tornado Far East, Tornado and Tornado West (Figure 2). RC drilling on all these targets proved difficult with high ground water flow rates in unconsolidated clay and deeply oxidized fractured bedrock seriously impeding effective testing of the targets. Despite the drilling difficulties Cu, Pb and Zn mineralisation was indicated by pXRF in wide low-grade zones and occasionally observed in drill chips. The poor ground conditions in proximity to the Sandshoe Fault are challenging to drill but this structure is the conduit for mineralisation and the likely position for high grade mineralisation.

The drilling conditions encountered are the same as experienced at Walford Creek by Aeon and in their case the strategy to overcome these issues is to extend the RC drill holes with a diamond drill hole tail. This need to adopt the same strategy was contemplated for the Gorge Creek area too, but at this stage it has been decided that compilation of the RC drill data and receipt of the laboratory assays will be awaited ahead of further work.

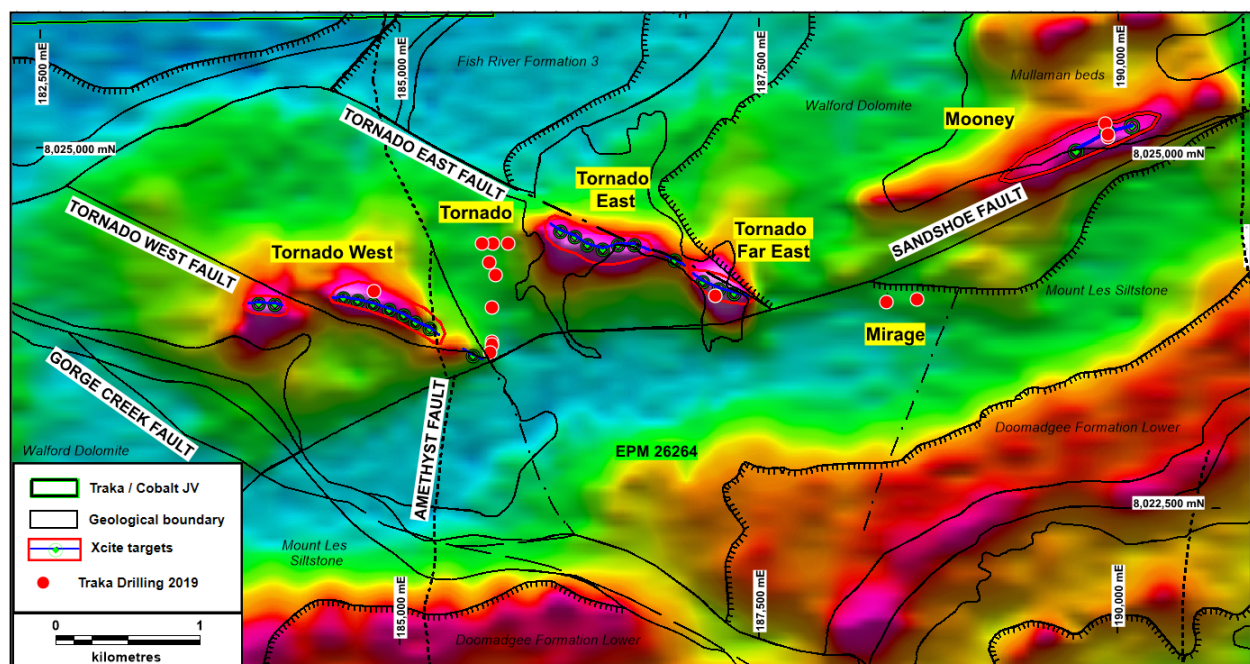


Figure 2. An XCITE image showing the locations of the targets and drill holes on the FRFZ shown.

Stratigraphic sedimentary targets south on the FRFZ.

The Typhoon and Hercules targets, which are 2 of the 4 drill original targets scheduled for RC drilling, have been partially tested with encouraging results (Figure 3). These targets occur in the prospective and gently south-dipping Mt Les Siltstone stratigraphic sequence which host the mineralisation at Walford Creek. Narrow intervals of higher grade Pb and Zn mineralisation within wide intervals of low-grade were indicated by pXRF and partly verified by geological logging. Drilling conditions on these targets was reasonable but ground water volumes prevent the effective use of RC below 200m.

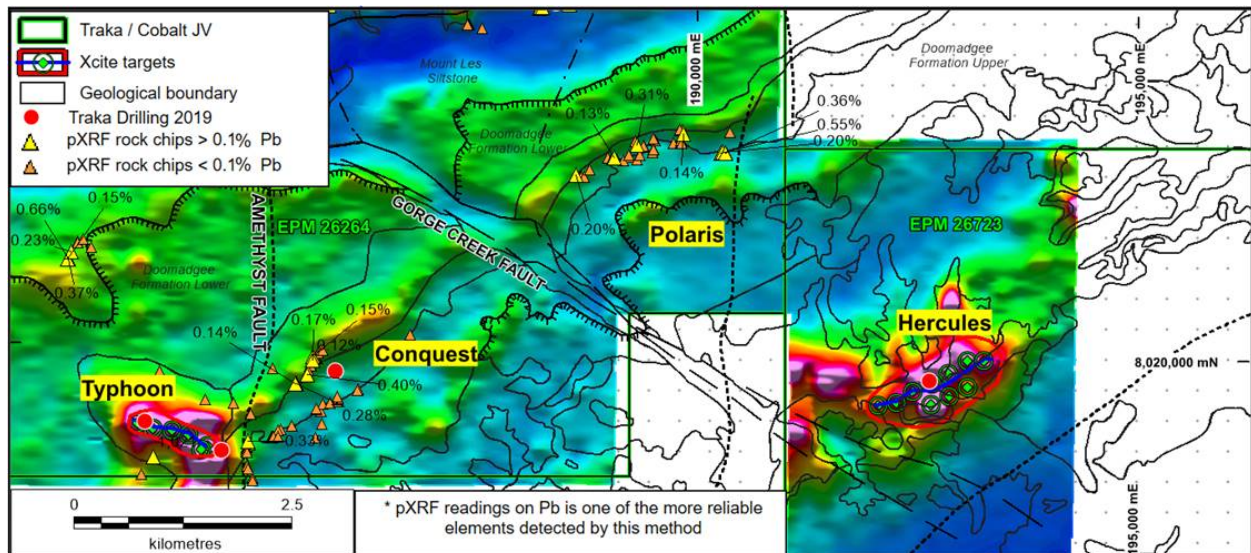


Figure 3. An XCITE image showing the locations of stratabound targets and drill holes

At the Typhoon Prospect two holes (GC130 and GC134) 1km apart were drilled. Geological logging and pXRF scans show that the mineralisation encountered is hosted within flat or very gently dipping thick pyritic carbonaceous shales and green celadonite altered siltstones. There is no evidence of brecciation as originally interpreted but drilling shows that the XCITE geophysical anomaly defining the Typhoon target is related to the presence of pyritic carbonaceous shale. The constrained position of the carbonaceous unit within the gently south-dipping Mt Les Siltstone unit is not understood but suggests the presence of an embayment, domal structure or fold in the sedimentary sequence. The unusual coincidence of a very coarse conglomeratic rock on surface, above the XCITE anomaly when the rest of the stratigraphic package comprises fine grained rocks is consistent with this interpretation. Most importantly though, such sedimentary features and the presence of the favourable pyritic carbonaceous rocks comprise some of the essential elements for concentrating and trapping mineralised fluids like those which form the Tier 1 lead, zinc and silver orebodies found at Century and McArthur River⁽³⁾. At Typhoon the conduit for mineralisation fluids is presumably the Amethyst Fault on the western side of the prospect.

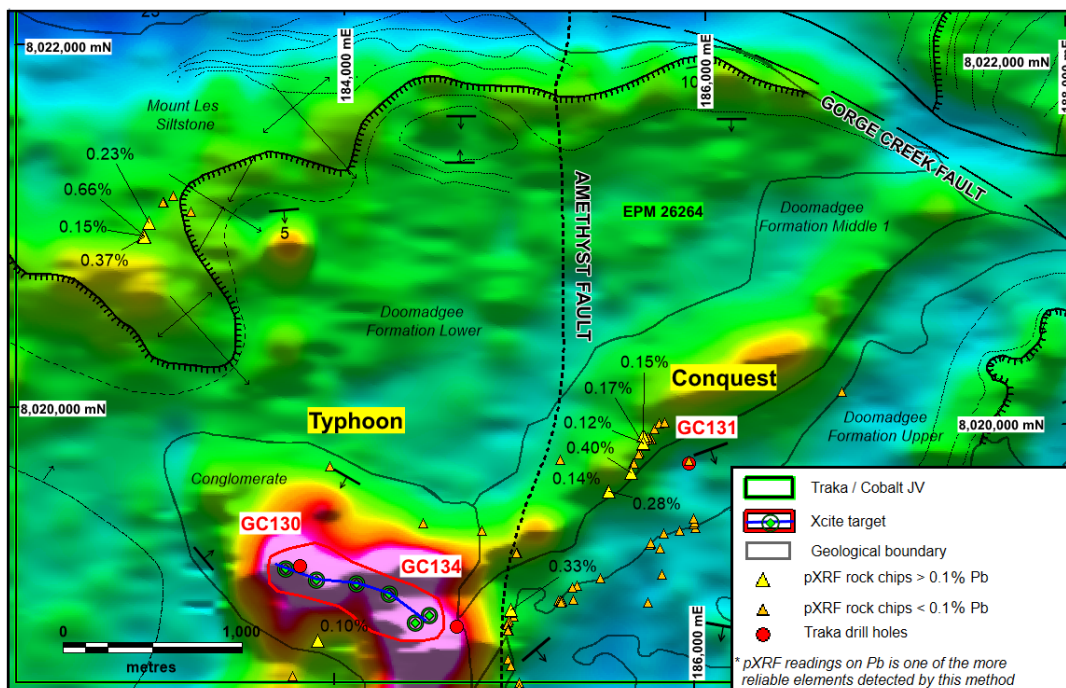


Figure 4. An XCITE image showing the Typhoon target and selective pXRF rock-chip sample result

The pXRF data from the RC samples in addition to geological logging indicates that the mineralisation present is very fine grained. A panned concentrate of a drill sample where a peak pXRF reading of 4% Pb occurred showed the presence of very fine galena (lead sulphide) which was not otherwise visible (Photo 1). Elevated levels of Zn, Sb (antimony) and Sn (Tin), which are some of the other associated elements to stratabound sedimentary mineralisation and detectable within the suite of elements scanned by pXRF is supporting evidence for mineral-rich hydrothermal fluid precipitating into these host rocks.



Photo 1. Panned concentrate of a drill sample showing galena (black) and pyrite (yellow)

The geological setting at Typhoon, particularly the gentle dip of the stratigraphy, provides an explanation for the laterally extensive and numerous anomalous soil and rock-chip samples previously reported peripheral to Typhoon ⁽¹⁾. Of particular interest up-dip and 2 km away to the north-west is a gossan over several hundred metres in length where rock-chip pXRF readings returned very strongly anomalous results of up to 0.66% Pb in weathered carbonaceous shales. If further drilling confirms continuity between Typhoon and the gossan the scale of mineralisation is very large. Compilation of the existing drill data and receipt of the laboratory assays will allow consideration for adoption of other definitive methods, including geophysics, which would help focus a new round of drilling on high-grade areas of mineralisation.

The single drill hole completed at Conquest (GC131) about 1 km north of Typhoon did not intersect any carbonaceous shale but passed through wide zones of green celadonite alteration and weak mineralisation hosted within the Mt Les Siltstone sedimentary rock package. The Amethyst Fault immediately to the west of Conquest is presumed to be the source and conduit for the mineralised hydrothermal fluids.

Following the experience at Typhoon and Conquest the drill rig was moved to the Hercules target. On the assumption that the Typhoon target is an XCITE anomaly emanating from mineralised carbonaceous shale it was considered possible that Hercules would prove to be the same. Unfortunately, the RC drillhole (GC142) on Hercules did not reach the target because of the volume of ground water encountered. The hole has been left open for use as a pre-collar for a diamond drill hole and the target is modelled to be within 50m.

The XCITE anomaly defining Hercules extends eastward, past the limits of the XCITE survey and most likely for many kilometres into Traka JV tenement EPM 26723. If found to be associated with economic mineralisation the exploration potential into this area could be significant.

At the Polaris target earlier rock-chip sampling highlighted a 1.5 km long Pb and Zn rich gossan within gentle south-dipping stratigraphy (4). This target is still to be drilled, but unlike the Typhoon and Hercules targets is likely to test for mineralisation in the stratigraphically higher Doomadgee Formation overlying the Mt Les Siltstones.

The imperative for extending the Hercules drillhole plus following up on Typhoon, Conquest, Polaris and Hercules is compelling as the existing evidence suggests good location for the discovery of one or more large Tier 1 stratabound Pb and Zn type deposits (Figure 5). Traka's joint venture tenements are in a particularly prospective part of the South Nicholson Sedimentary Basin. The favoured Mt Les Siltstone sequence outcrops on Traka's JV tenements and dips gently south where the depths to mineralisation shouldn't be much more than about 250m. At Typhoon for instance, mineralisation is less than 200 m from surfaced and at Hercules estimated to be about 250m depth. In addition, the JV tenements are positioned down dip of already known mineralisation at Walford and the Sandshoe Fault. The presence of other large basin structures like the Nicholson River Fault to the south and the cross-cutting structures in between like the Amethyst, Gorge Creek and Calvert Faults, are all positive features to act as conduits for mineralised fluids.

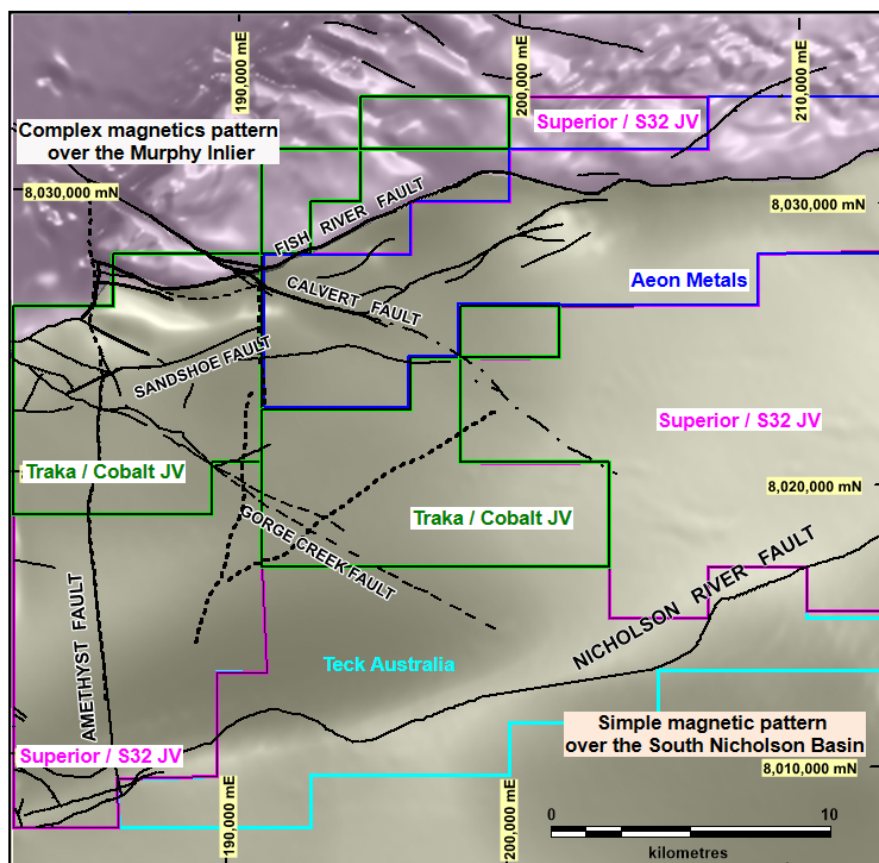


Figure 5. Aeromagnetic image showing Traka/Cobalt JV tenements in the South Nicholson Basin.

The Mt Cattlin North Project

(Traka Free Carried 20%)

Traka has a 20% free carried joint venture interest with Galaxy Resources Ltd (Galaxy) on tenements abutting the Mt Cattlin Lithium Mine. Galaxy has provided the following information regarding exploration activity on the Mt Cattlin North Joint Venture (Figure 6).

“Galaxy Lithium has commenced RC drill testing of the Enduro Prospect. Ten of the proposed RC drill holes are located on the Traka JV Tenement E74/401 (Table 2 and Figure 6).

Regional surface mapping has identified weathered spodumene pegmatite mineralisation 2km north of the Mt Cattlin operation. Ground penetrating radar indicates a shallow northerly dip to the pegmatites. The drilling program is designed to test the true thickness, geometry and lithium grade of the pegmatite to depth.”

Hole Id	Depth (m)	Easting (MGA94-Z51)	Northing (MGA94- Z51)	RL (m)
END_15	100	224951.824	6284501.079	284
END_17	100	224998.001	6284520.615	281
END_16	100	224927.672	6284544.41	284
END_13	100	224907.783	6284479.523	285
END_11	100	224704.135	6284385.583	283
END_10	100	224698.446	6284515.286	288
END_18	100	224970.649	6284562.057	282
END_14	100	224981.187	6284467.446	283
END_19	100	225033.045	6284540.151	279
END_12	100	224814.003	6284434.543	286

Table 2. Planned drill holes on the Enduro Prospect

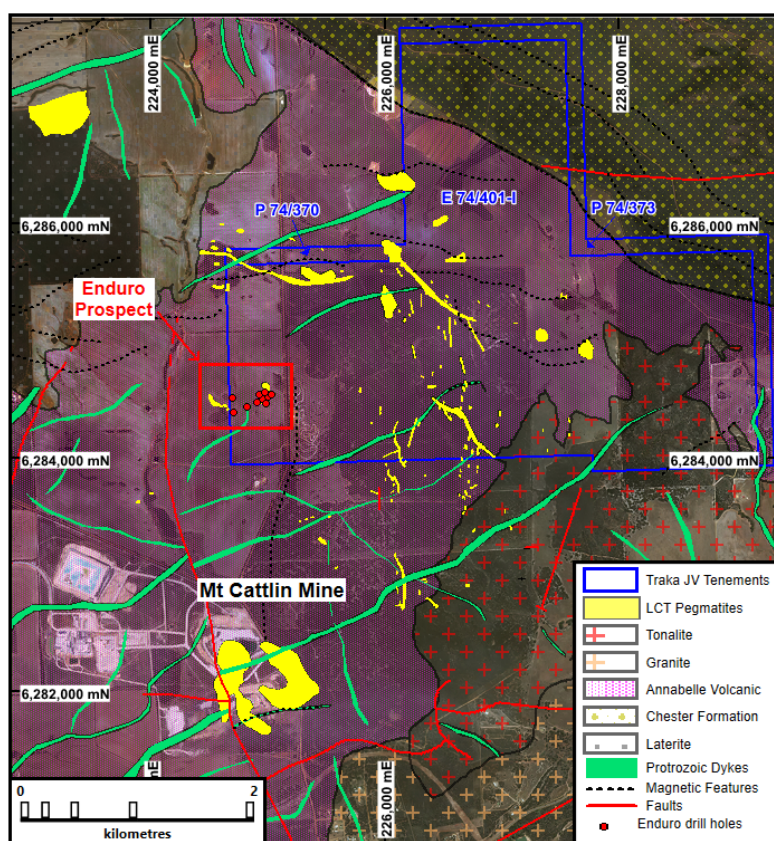


Figure 6. Location plan of the Enduro Prospect north of the Mt Cattlin Lithium Mine

The Musgrave Project (Traka 100%)

Traka continues to maintain a large exploration portfolio in the West Musgraves with tenements peripheral to the emerging nickel cobalt resources defined at Wingellina (MetalsX Limited) (9) and the nickel and copper discoveries at Babel, Nebo and Succoth (Oz Minerals Limited/Cassini Resources Limited Joint Venture) (10).

Negotiations are ongoing to gain access to the Mt Morphett Project (ELA 69/3490) east of the Babel, Nebo and Succoth discoveries held by Cassini and Oz Minerals (Figure 7). Of principal interest is the 12km long copper-nickel-PGE (Platinum Group Elements) Araplate Prospect on the southern basal margin of the Saturn Intrusive. The Saturn Intrusive is one of the large layered mafic bodies of the Giles Intrusive Complex host to the large known nickel, copper, cobalt discoveries in the Musgraves. The model for mineralisation is sulphide hosted magmatic copper, nickel and PGE deposits in the basal layer of the intrusive. Historic geochemical sampling has highlighted anomalism along the entire southern contact, but no drilling has ever been undertaken. The initial program of work planned is a helicopter-borne electromagnetic survey (EM) to look for sulphide conductors.

Traka is the beneficiary of a \$150,000 drilling grant under the State Governments Exploration Incentive Scheme to test targets on the Araplate Prospect.

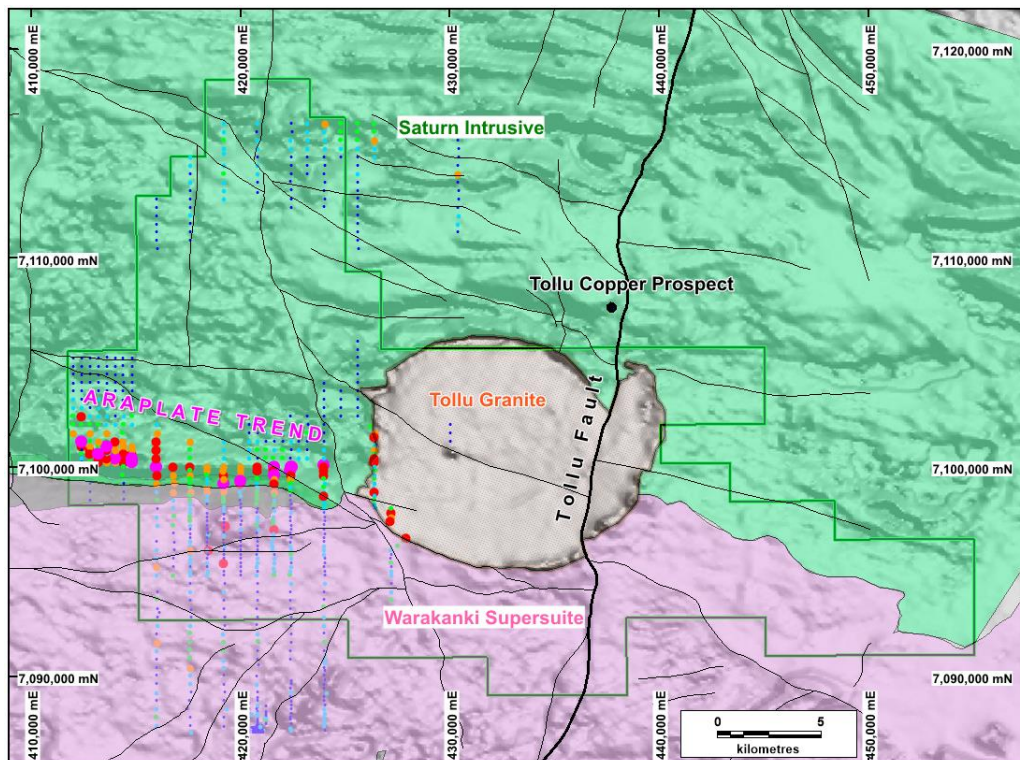


Figure 7. The Mt Morphett tenement showing the position of geochemical anomalism on the Araplat Trend

Powder Puff Hill Project

(Traka 100%)

No activity was undertaken on this project during the quarter.

Corporate

On the 5th of June the Company's entitlement offer of 1 new share for every 3 held, at 1.3 cents per share, closed (8). The total capital raised was \$508,845 representing 35% of the total on offer. The residual shortfall of 71,298,398 shares may be placed at the Directors discretion within three months (by 5 September 2019).

New Project Development

Whilst the Company is busy on several projects, ongoing efforts continues to be made to identify other good opportunities to expand the company's exploration portfolio.

Patrick Verbeek
Managing Director

15 July 2019

- (1) *Traka Quarterly Report 31 March 2018*
- (2) *Aeon Metals ASX Announcement 13 June 2019*
- (3) *Mc Arthur River Zinc Lead Silver Mine – PorterGeo 31 March 2017*
- (4) *Traka Quarterly Report 30 September 2018*

- (5) AEON Metals Basin Edge Project ASX Announcement 4 July 2019
- (6) Superior Resources Nicholson Project JV ASX Announcement 29 May 2019
- (7) Red Metals Greenfield Alliance ASX Announcement 30 January 2019
- (8) Traka ASX Announcement Entitlement Offer 11 June 2019
- (9) MetalsX Limited ASX Release 15 January 2017
- (10) Cassini Resources ASX Release 14 January 2017

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.

In relation to the Mt Cattlin North Joint Venture the information is based on information compiled by Mr Albert Thamm MSc F.Aus.IMM (CP Management) who is a fulltime employee of Galaxy Resources Ltd.

Mr Verbeek and Mr Thamm are each Competent Persons and Members of the Australasian Institute of Mining and Metallurgy. Mr Thamm and Mr Verbeek have 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 Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Thamm and Verbeek consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

TRAKA RESOURCES LTD

ABN

63 103 323 173

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(236)	(629)
(b) development	-	-
(c) production	-	-
(d) staff costs	(34)	(178)
(e) administration and corporate costs	(47)	(287)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material):		
Receipt:	-	-
Payment:	-	-
1.9 Net cash from / (used in) operating activities	(313)	(1,072)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(9)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	509	509
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(24)	(24)
3.5	Proceeds from borrowings	-	-
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)	-	-
3.1	Net cash from / (used in) financing activities	485	485

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	737	1,503
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(313)	(1,072)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	485	485
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	907	907

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	657	87
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Term Deposits	250	650
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	907	737

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
73
-

- 6.1 Remuneration of directors
- Storage rent paid to director related entity

70

3

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	417
9.2 Development	-
9.3 Production	-
9.4 Staff Costs	48
9.5 Administration and corporate costs	108
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	573

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EPM 26264	Increase in beneficial interest	0%	51%
	EPM 26723	Increase in beneficial interest	0%	51%

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.

Sign here:Peter Rutledge..... Date: 15 July 2019
(~~Director~~/Company secretary)

Print name:Peter Rutledge.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

TRAKA RESOURCES LIMITED
MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)
For the quarter ended 30 June 2019

Type	Tenement	Location	Registered Holding		Beneficial Interest
EA	69/2609	Musgrave, WA	100%		100%
EA	69/2749	Musgrave, WA	100%		100%
EA	69/3156	Musgrave, WA	100%		100%
EA	69/3157	Musgrave, WA	100%		100%
EA	69/3490	Musgrave, WA	100%		100%
EA	69/3569	Musgrave, WA	100%		100%
EA	70/5063	Lake Grace, WA	100%		100%
EA	70/5064	Kulin, WA	100%		100%
P	74/0370	Ravensthorpe, WA	0%		20%
P	74/0373	Ravensthorpe, WA	0%		20%
E	74/0401	Ravensthorpe, WA	20%		20%
E	74/0606	Ravensthorpe, WA	100%		100%
EA	74/0636	Ravensthorpe, WA	0%		20%
EPM	26264	Gorge Creek, QLD	0%		51%
EPM	26723	Gorge Creek, QLD	0%		51%

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

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EPM	26264	Gorge Creek	0%	0%	0%	51%
EPM	26723	Gorge Creek	0%	0%	0%	51%

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

None

Key:

E: Exploration licence
EA: Exploration licence application
P: Prospecting licence
EPM: Exploration permit mineral