



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report for the three months ended 31 December 2019

Summary

Gorge Creek Project (Cu, Co, Pb, Zn and Ag)

- Programs of work are being prepared for this year's field season. Large stratabound Pb, Zn targets as well as Cu, Co, Pb and Zn Mississippi Valley Type (MVT) targets are identified.
- Traka has 100% consolidated interest in this project and is investigating various alternative means, including joint ventures, to fund the programs of work.

Mt Cattlin North Joint Venture (Li, Ta)

- Galaxy Resources Limited, as managers of the JV, have undertaken an electromagnetic (EM) survey to further evaluate opportunities for lithium and tantalum mineralisation on the joint venture tenements.

Musgrave Project

- The company's Musgrave Project tenements have been transferred to the neighboring joint venture interests of Oz Minerals and Cassini Resources Limited. An alignment of Traka's interest with their project development plans for the Babel/Nebo and Succoth deposits secures Traka a position in the Musgraves which the company has otherwise not been able to advance. Traka has retained a 2% Net Smelter Royalty (NSR) and received \$250,000 cash for the transfer.

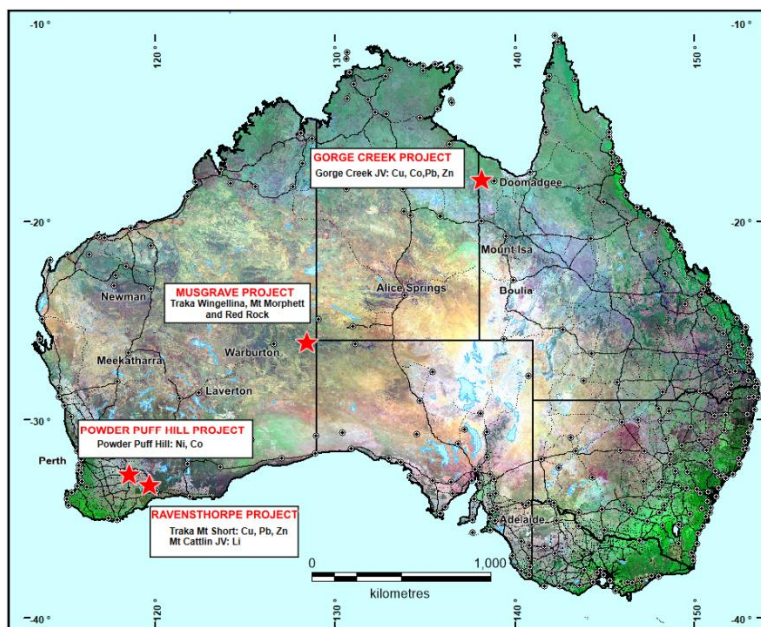


Figure 1. Location plan of Traka's Projects

Gorge Creek Project

Traka completed a comprehensive exploration program including drilling last year and identified stratabound lead (Pb) and zinc (Zn) targets on the Mt Les Siltstone stratigraphic sequence as well as Mississippi Valley Type (MVT) targets for copper (Cu), cobalt (Co), Pb and Zn mineralisation on the structures of the Fish River Fault Zone (FRFZ) (1). A budget and program to detail this year's field season activity is currently being prepared. Funding options, including entry into a joint venture, are being sought to underwrite this objective.

The stratabound Pb and Zn targets highlighted at Gorge Creek are similar in nature to the large Tier 1 MacArthur River and Century Zinc style deposits within the Carpentaria Zinc Belt (Figure 2). The host rocks for mineralisation are black pyritic carbonaceous shales with pyro-bituminous organic matter. Locally thickened and fault bounded domains along with the presence of the associated minerals like silver (Ag) within zones of manganese (Mn) and siderite (FeCO_3) alteration indicate the presence of trap sites for the precipitation of mineralisation fluids.

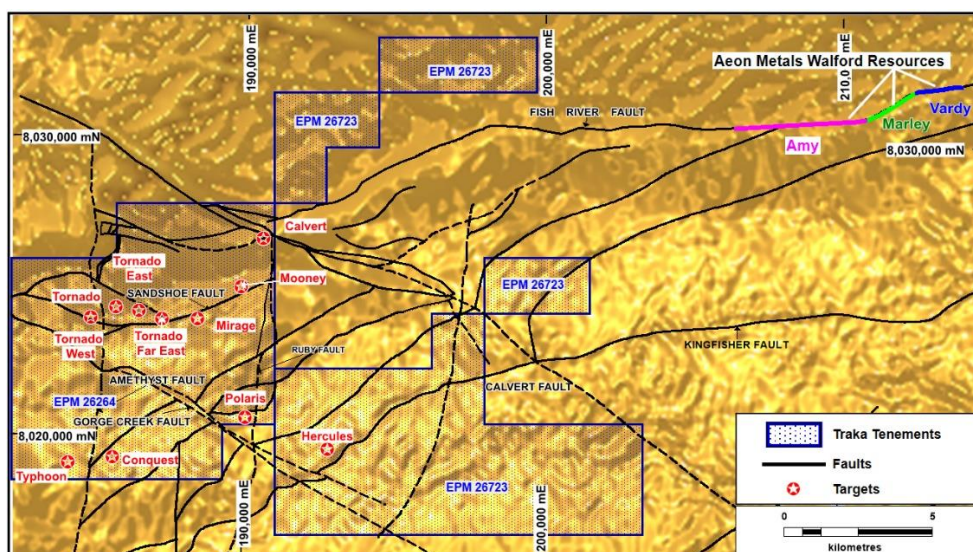


Figure 2. Prospect location plan showing target position on aeromagnetic image

The Typhoon and Hercules targets are those currently identified as having the best potential for large scale stratabound Pb and Zn deposits. Both targets are readily observed as XCITE airborne electromagnetic (XCITE) anomalies (Figure 3). This style of targets, being flat has large footprints typically measured over a few square kilometres. At Typhoon, which measures about 2 x 1.5 km, there is only one hole (GC130) through the prospective Mt Les Siltstone stratigraphy. The peak assay result is 9m @ 0.33% Pb and 320 ppm Zn including 1m @ 2.98% Pb. A second drillhole GC134, which is 700m away, only partially tested the stratigraphic sequence but intersected wide zones of low grade Pb and Zn mineralisation indicating increased tenor of mineralisation to the east of the prospect. The wide zones of mineralisation within the geological setting described are a very encouraging initial result and infill and deeper drilling for the opportunity for higher grade mineralisation is the next objective.

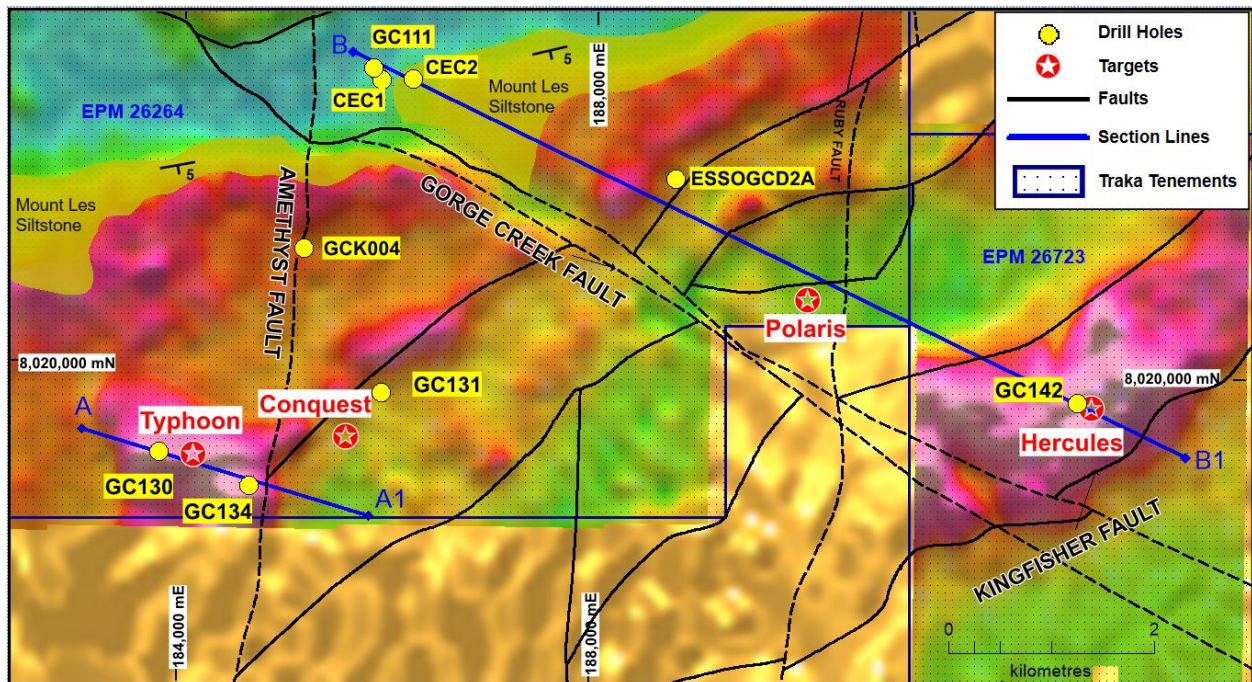


Figure 3. An aeromagnetic image in yellow colours with the XCITE anomalies in red colours draped over the top showing the position of the Hercules and Typhoon targets.

The Hercules target occurs within a 1.5km wide north-east trending domain which can be seen extending 3km to the north-east before passing beyond the limits of the XCITE survey. The southern boundary of this domain is the Kingfisher Fault and it can be seen on aeromagnetics to extend an additional 15km. A single drillhole (GC142) was attempted at Hercules but it was stopped at 224 m depth because of excessive ground water inflows. It is approximately 150 metres short of intersecting the XCITE target within the Mt Les Siltstone. Extending this drillhole with a diamond drill hole tail and further XCITE surveys to the north-east of Hercules are the next objective at Hercules.

The MVT targets on the FRFZ are those immediately peripheral to this structure and, at Gorge Creek, hosted in the Walford Dolomite stratigraphic sequence below the Mt Les Siltstone. This stratigraphic position for mineralisation is immediately below the bulk of mineralisation defined by Aeon Metals Limited on the Walford Creek deposit 30 km to the east on the FRFZ. The MVT style of target tends to produce compact ore bodies of between 1 and 20 million tonnes, this contrasts them to the large stratabound targets but they can be highly profitable because of their high grade and, at Gorge Creek, because of addition of Cu and Co with the Pb, Zn and Ag.

The MVT targets drilled were Mooney, Mirage, Tornado Far East and Tornado (Figure 4). All drilling intersected mineralisation but none of the drillholes were able to reach their targets resulting in inconclusive outcomes. The dolomitic host rocks have numerous karsts and cavities with clay and unconsolidated brecciated rock infill and this hindered drilling. Extension of some

of the holes with a diamond drill rig, as well as drillholes in new positions, will resolve this issue in the next round of drilling. At this point the best result obtained was from the Tornado and Mooney targets. At Tornado drillhole GC125 intersected 16 m @ 0.59% Pb, 0.13% Cu and 393 parts per million (ppm) Zn including 3 m @ 2.81% Pb, 0.47% Cu and 0.11% Zn. At Mooney drillhole GC141 intersected 13m @ 0.14% Cu, 0.18% Zn, 937 ppm Pb, 6.74 ppm Ag and 234 ppm Co.

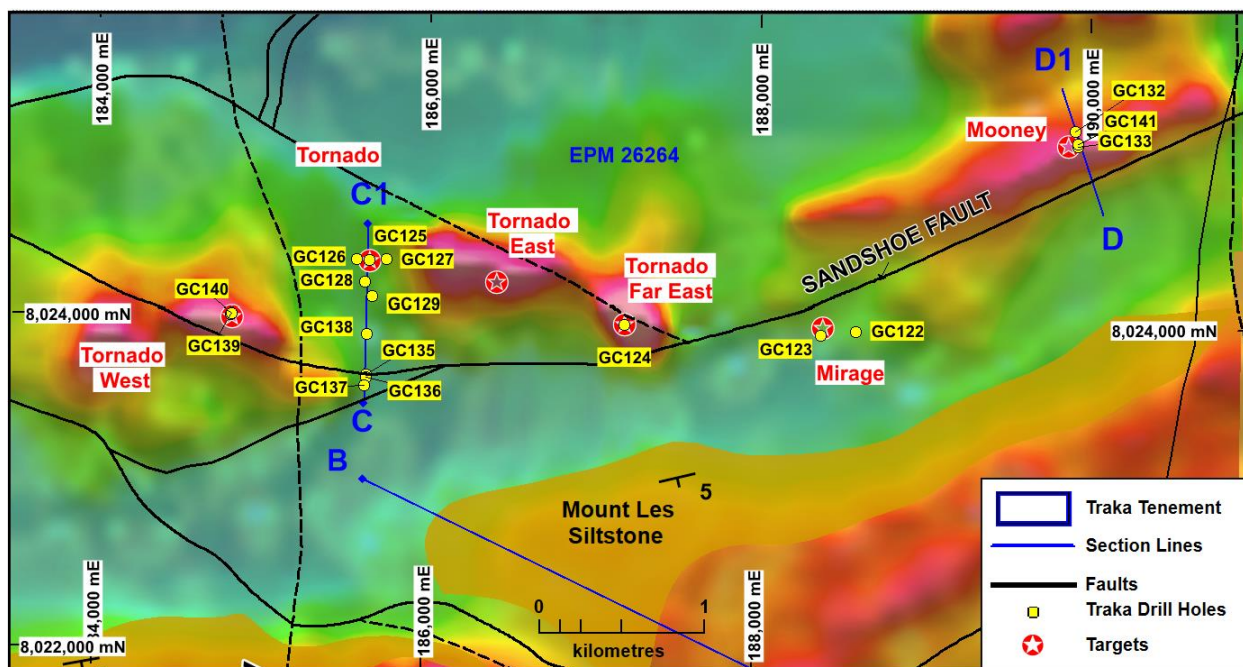


Figure 4. An aeromagnetic image in yellow colours with the XCITE anomalies in red colours draped over the top showing the position of the FRFZ targets.

High resolution gravity and aeromagnetic surveys ahead of further drilling is proposed to achieve better definition of the structures controlling mineralisation. A number of the drillholes already drilled could possibly be utilized as pre-collars and extended to depth with a diamond drill rig.

Mt Cattlin North Joint Venture (Traka Free Carried 20%)

Traka has a 20% joint venture interest free carried to production with Galaxy Resources Limited (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 5):

“Exploration at Mt Cattlin was limited to a high resolution airborne electromagnetic survey completed in late December 2019, over parts of tenement E74/401. This is located immediately north of the Mt Cattlin mining lease. Once results are received and interpreted these will be integrated into ongoing regional target generation.”

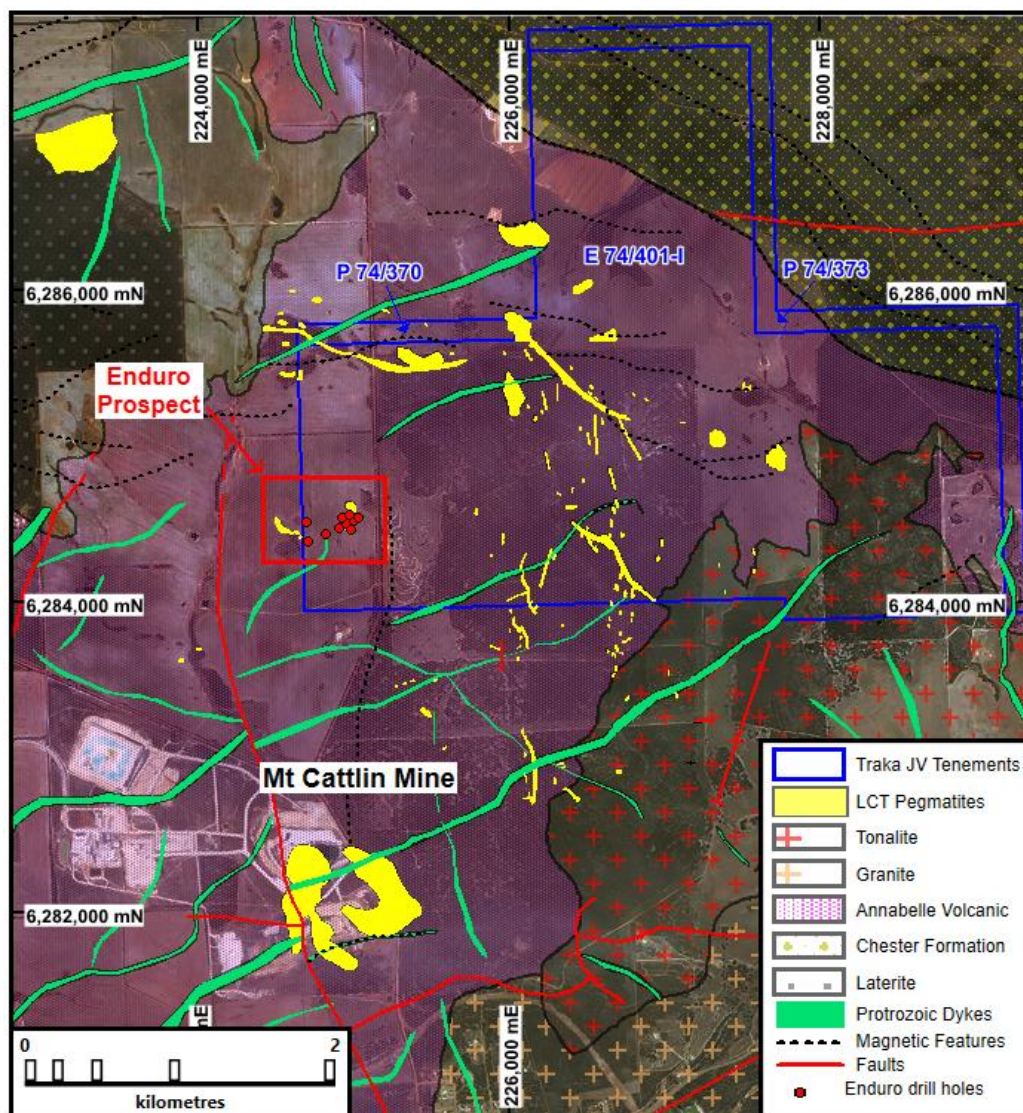


Figure 5. Location plan of the Enduro Prospect north of the Mt Cattlin Lithium Mine.

Musgrave Project

On the 18 December 2019, Traka agreed to the transfer of the exclusive rights to the company's Musgrave Project tenements to the neighbouring Oz Minerals and Cassini Resources Limited (Cassini) joint venture (Figure 6). The terms of agreement included a \$250,000 cash payment as part reimbursement of costs to date and a 2% NSR (Net Smelter Royalty) and was entered into with Wirraway Metals & Mining Pty Ltd, a wholly owned subsidiary of Cassini (2).

The transfer includes all of Traka's 5 tenements (EL 69/3156 and 3157 plus ELA 69/2749, 3490 and 3569) and was undertaken to align the company's interest with Oz Minerals advancing project development plans for the neighbouring Babel, Nebo and Succoth nickel copper prospects (Figure 6).

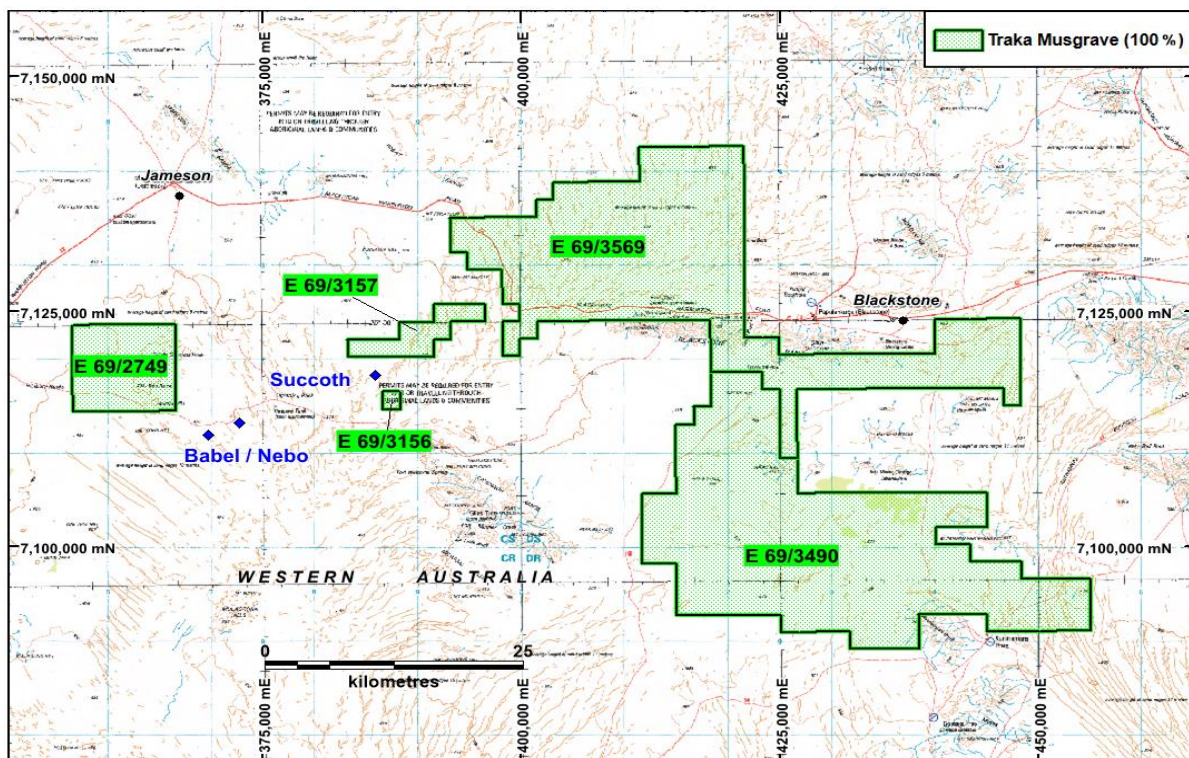


Figure 6. A plan showing the tenements transferred to the Oz Minerals - Cassini Resources Joint Venture.

Powder Puff Hill Project

A review of this project was undertaken and it was decided to withdraw from the project as there was insufficient prospectivity to merit ongoing work.

New Project Development

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

Patrick Verbeek
Managing Director

31 January 2020

- (1) Traka Quarterly Report 30 September 2019
- (2) Traka ASX Announcement 18 December 2019

COMPLIANCE STATEMENT RELATING TO TRAKA'S PROJECTS

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 undertaking 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.

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 LIMITED

ABN

63 103 323 173

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(56)	(488)
(b) development	-	-
(c) production	-	-
(d) staff costs	(71)	(123)
(e) administration and corporate costs	(27)	(153)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
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	(152)	(761)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	250	250
	(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	250	250

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	(5)	(5)
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	(5)	(5)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	294	903
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(152)	(761)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	250	250
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(5)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	387	387

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	286	94
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Term Deposits	101	200
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	387	294

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	88
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	
6.1 Remuneration of directors	85
Storage rent paid to director related entity	3

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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	51
9.2 Development	-
9.3 Production	-
9.4 Staff Costs	37
9.5 Administration and corporate costs	58
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	146

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	EA70/5063 EA69/2609 EA69/2749 E69/3156 E69/3157 EA69/3490 EA69/3569	Application withdrawn Application withdrawn Disposal of tenement Disposal of tenement Disposal of tenement Disposal of tenement Disposal of tenement	100% 100% 100% 100% 100% 100% 100%	0% 0% 0% 0% 0% 0% 0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EPM/26264 EPM/26723	Increase in registered holding Increase in registered holding	0% 0%	100% 100%

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: 31 January 2020
(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 31 December 2019

Type	Tenement	Location	Registered Holding		Beneficial Interest
EA	69/2749	Musgrave, WA	0%		Note 1
E	69/3156	Musgrave, WA	0%		Note 1
E	69/3157	Musgrave, WA	0%		Note 1
EA	69/3490	Musgrave, WA	0%		Note 1
EA	69/3569	Musgrave, WA	0%		Note 1
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	100%		100%
EPM	26723	Gorge Creek, QLD	100%		100%

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

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EPM	26264	Gorge Creek	0%	100%	100%	100%
EPM	26723	Gorge Creek	0%	100%	100%	100%

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

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	70/5063	Lake Grace, WA	100%	0%	100%	0%
EA	69/2609	Musgrave, WA	100%	0%	100%	0%
EA	69/2749	Musgrave, WA	100%	0%	100%	Note 1
E	69/3156	Musgrave, WA	100%	0%	100%	Note 1
E	69/3157	Musgrave, WA	100%	0%	100%	Note 1
EA	69/3490	Musgrave, WA	100%	0%	100%	Note 1
EA	69/3569	Musgrave, WA	100%	0%	100%	Note 1

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

Key:

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