



# TRAKA RESOURCES LIMITED

ABN 63 103 323 173

## Quarterly Activities Report for the three months ended 31 March 2020

### Summary

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

- Large stratabound Pb and Zn targets as well as Cu, Co, Pb and Zn Mississippi Valley Type (MVT) targets have been identified.
- Traka has 100% beneficial ownership interest in this project and is investigating various alternative means, including joint ventures, to fund future programs of work.
- Covid-19 travel restrictions are currently preventing access to the project.

#### ***Mt Cattlin North Joint Venture (Li, Ta)***

- Galaxy Resources, as Manager of the JV, is undertaking high resolution aeromagnetic surveys and auger geochemical sampling.

#### ***Project Generation***

- The Company remains active in identifying and bringing new projects into the company portfolio.

### 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 MVT (Mississippi Valley Type) targets for copper (Cu), cobalt (Co), Pb and Zn mineralisation on the structures of the Fish River Fault Zone (FRFZ) (1). Funding options including joint ventures are being sought to fund ongoing exploration programs. Access to the project is currently forbidden because of Covid-19 travel restrictions but hopefully these will lift within the next few months.

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 1). 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 ( $\text{FeCO}_3$ ) alteration, indicate the presence of trap sites for the precipitation of mineralisation fluids.

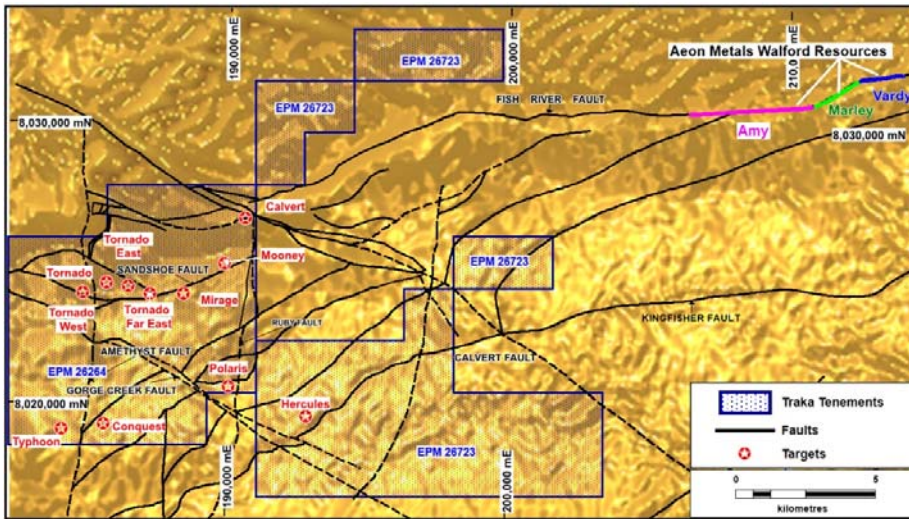


Figure 1. Prospect location plan showing target position on aeromagnetic image

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 2). This style of target, being flat, has a large footprint 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 was 9m @ 0.33% Pb and 320 ppm Zn including 1m @ 2.98% Pb. A second drillhole GC134, which is 700m away to the east, 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. These wide zones of mineralisation are a very encouraging and infill and deeper drilling for the opportunity of higher grade mineralisation is the next objective.

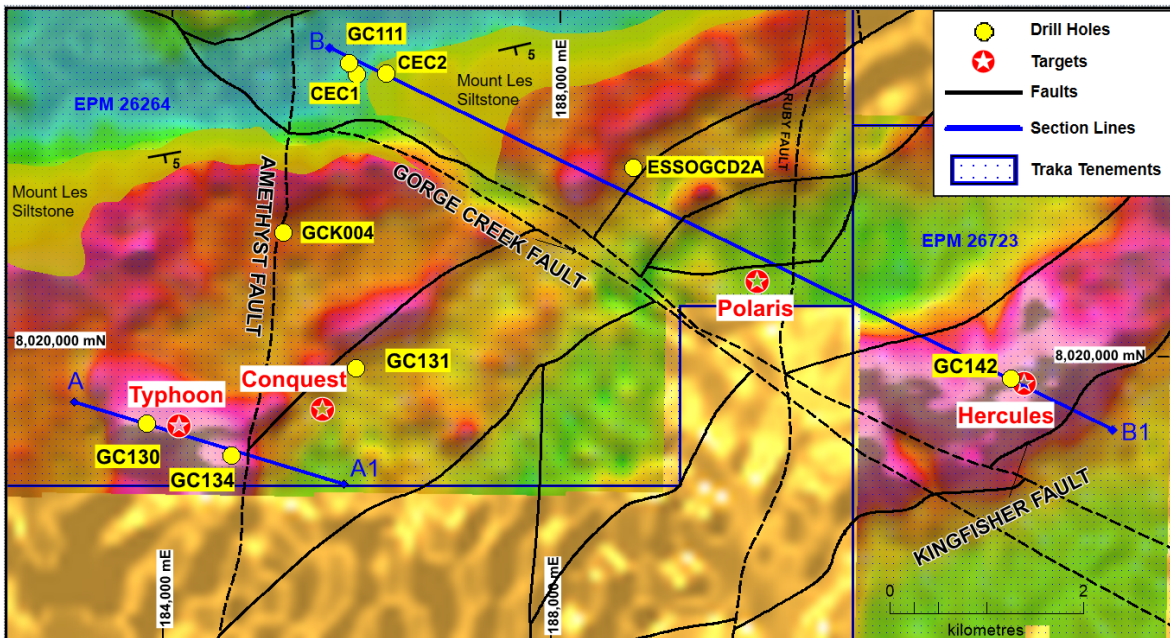


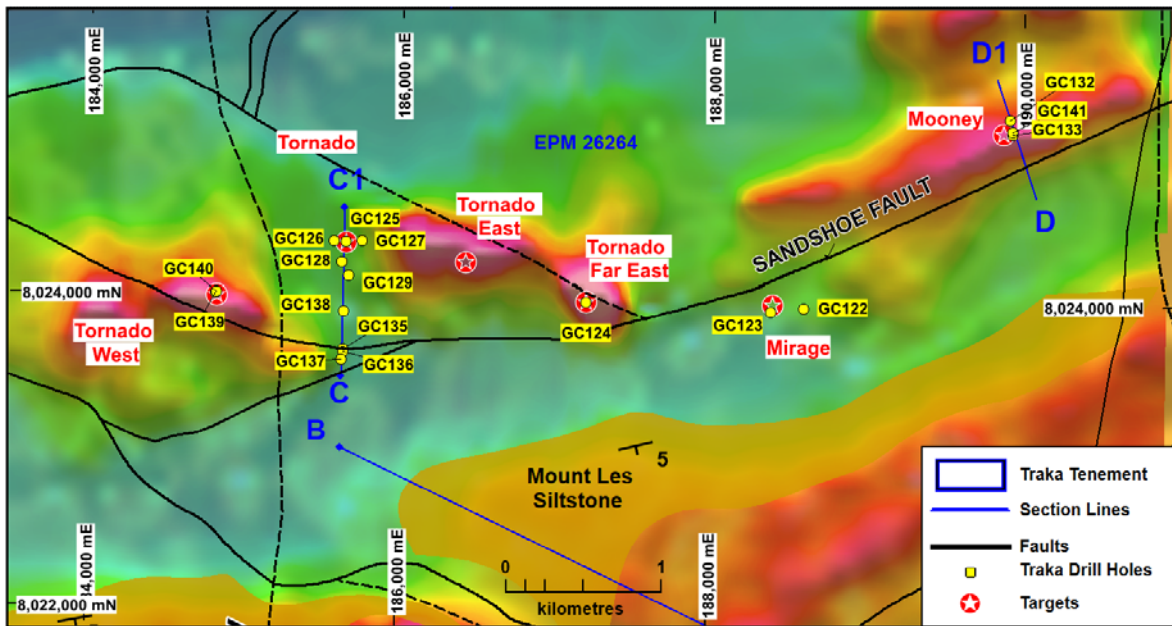
Figure 2. An aeromagnetic image in yellow colours with the XCITE anomalies in red colours draped over the top showing the position of the Hercules and Typhoon targets.

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 aeromagnetics show that the fault extends for an additional 15km. A single drillhole (GC142) was attempted at Hercules but it was stopped at 224m depth because of excessive ground water inflows. It is approximately 150 metres short of intersecting the XCITE target that lies 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 objectives

The MVT targets on the FRFZ are those immediately peripheral to this structure and at Gorge Creek are 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 Ltd on the Walford Creek deposit 30km 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 the addition of Cu and Co with the Pb, Zn and Ag.

The MVT targets drilled were Mooney, Mirage, Tornado Far East and Tornado (Figure 3). All drilling intersected mineralisation but none of the drillholes was able to reach 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 and 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 16m @ 0.59% Pb, 0.13% Cu and 393ppm (parts per million) Zn including 3m @ 2.81% Pb, 0.47% Cu and 0.11% Zn (Figure 3). At Mooney drillhole GC141 intersected 13m @ 0.14% Cu, 0.18% Zn, 937ppm Pb, 6.74 ppm Ag and 234ppm Co.



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

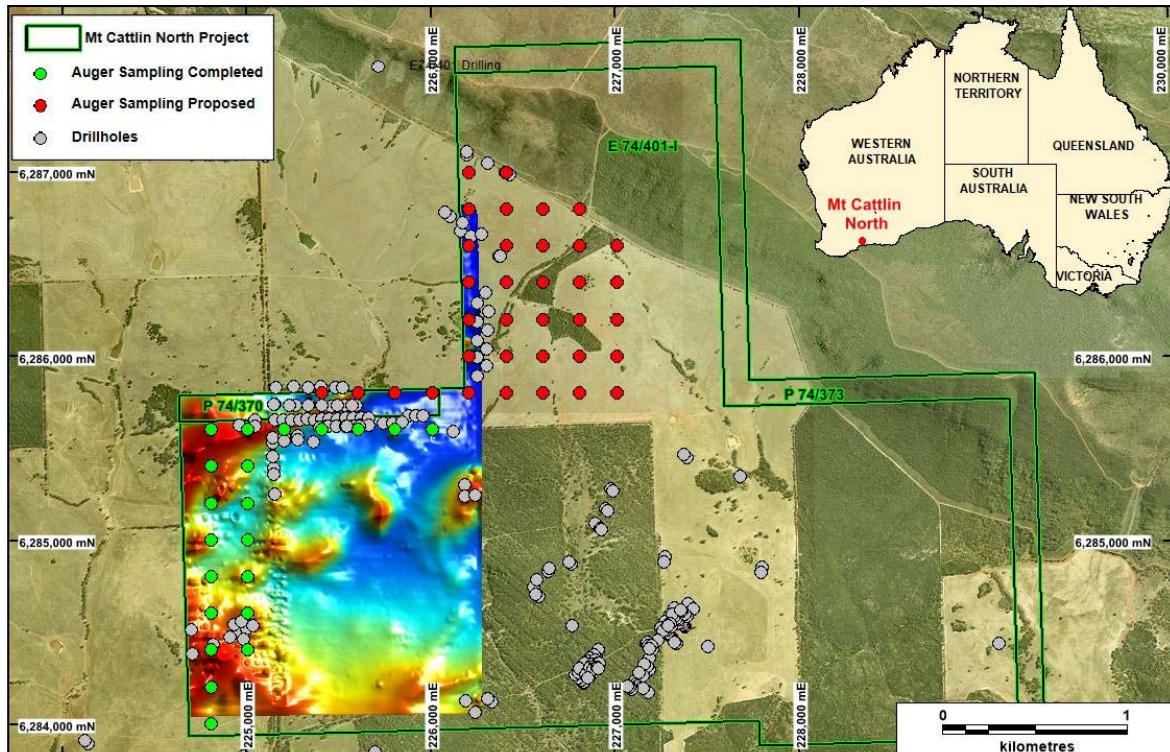
High resolution gravity and aeromagnetic surveys ahead of further drilling is proposed to achieve better definition of the structures controlling mineralisation. A number of the drillholes already drilled could possibly be utilized as pre-collars and extended to depth with a diamond drill rig.



## **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 4).

*“Exploration at Mt Cattlin was limited to a high resolution airborne electromagnetic survey completed in late December 2019 over parts of tenement E74/401-I. 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 4. Location plan of the Enduro Prospect north of the Mt Cattlin Lithium Mine.**

## **Musgrave Project**

On 18 December 2019, Traka agreed to the transfer of the exclusive rights to the Company's Musgrave Project tenements to the neighbouring Oz Minerals Ltd (Oz) and Cassini Resources Ltd (Cassini) joint venture (Figure 5). 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 5).

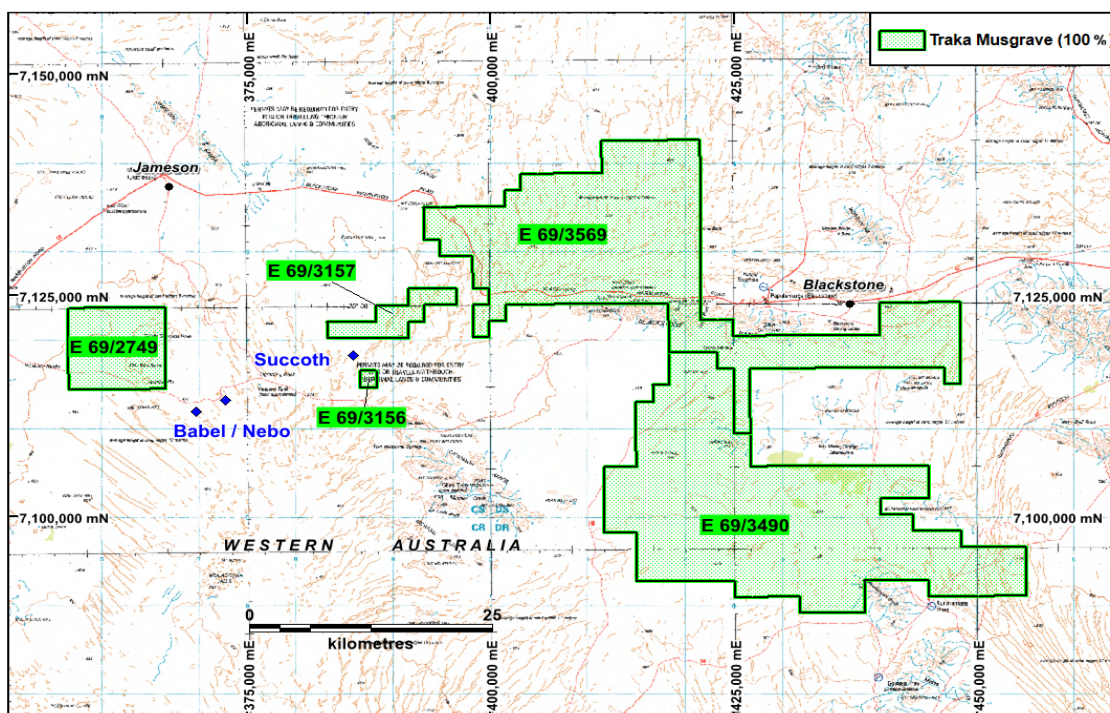


Figure 5. A plan showing the tenements transferred to the Oz Minerals Cassini Resources Joint Venture.

## 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.

## Payments to Related Parties

(as reported in Section 6 of the Appendix 5B Quarterly Cash Flow Report)

The \$71,000 cash outflow for the quarter reported under Section 6.1 of the Appendix 5B Quarterly Cash Flow Report relates to:

	\$000
Remuneration of Managing Director	60
Director fees paid to non-executive directors	8
Rent of storage space paid to company associated with a director	3

Authorised by the Board  
Patrick Verbeek  
**Managing Director**

30 April 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

TRAKA RESOURCES LIMITED

ABN

63 103 323 173

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(25)	(509)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(37)	(164)
	(e) administration and corporate costs	(61)	(214)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(122)</b>	<b>(883)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	250
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>250</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(5)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	387	903
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(122)	(883)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	250
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(5)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>265</b>	<b>265</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	64	286
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Term Deposit	201	101
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>265</b>	<b>387</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
71
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments



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

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A			

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(122)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(122)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	265
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	2.2
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	N/A	

## **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....30 April 2020.....

Authorised by: ..The Board of Directors.....  
(Name of body or officer authorising release – see note 4)

## **Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

**TRAKA RESOURCES LIMITED**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
**For the quarter ended 31 March 2020**

<b>Type</b>	<b>Tenement</b>	<b>Location</b>	<b>Registered Holding</b>		<b>Beneficial Interest</b>
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%
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
N/A						

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

<b>Type</b>	<b>Tenement</b>	<b>Location</b>	<b>Registered Holding</b>		<b>Beneficial Interest</b>	
			<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>
E	74/0606	Ravensthorpe, WA	100%	0%	100%	0%

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