



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report for the three months ended 31 December 2014

Introduction

Traka Resources Ltd (ASX: TKL) is a Perth based exploration company with its exploration assets held in Western Australia (Figure 1).

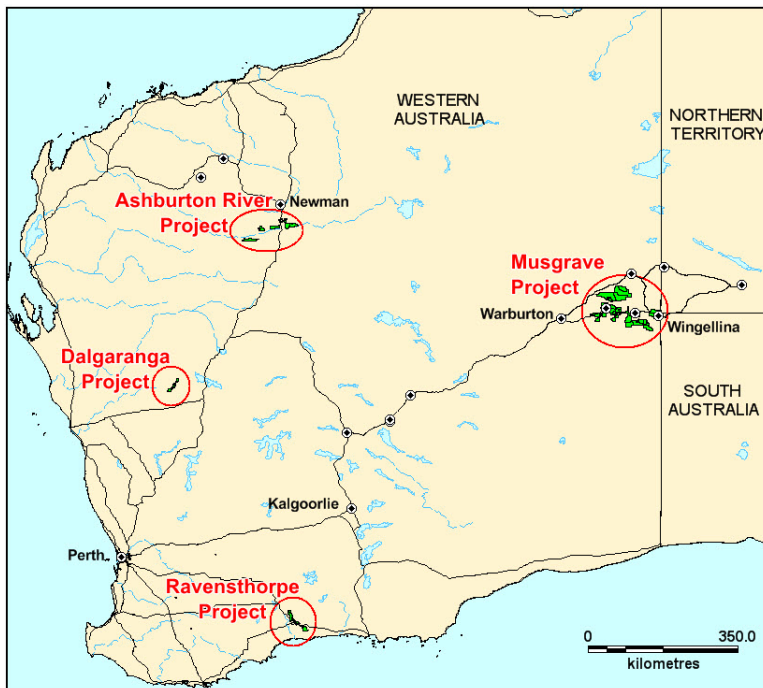


Figure 1: Location plan of Traka's Projects in Western Australia

The Musgrave Project

Traka's principal focus over recent years has been in the Musgrave region where it has established an extensive tenement holding comprising exploration licences and applications

covering 5,166 square kilometres. Some of this tenement portfolio includes joint venture tenements and in these instances Traka equity is shown in Figure 2. The Musgraves region is highly prospective for copper and nickel mineralisation associated with the mafic and ultramafic sequences of the Giles Intrusive Complex. Some very significant discoveries have been made within the Giles Complex which encourages ongoing exploration activity.

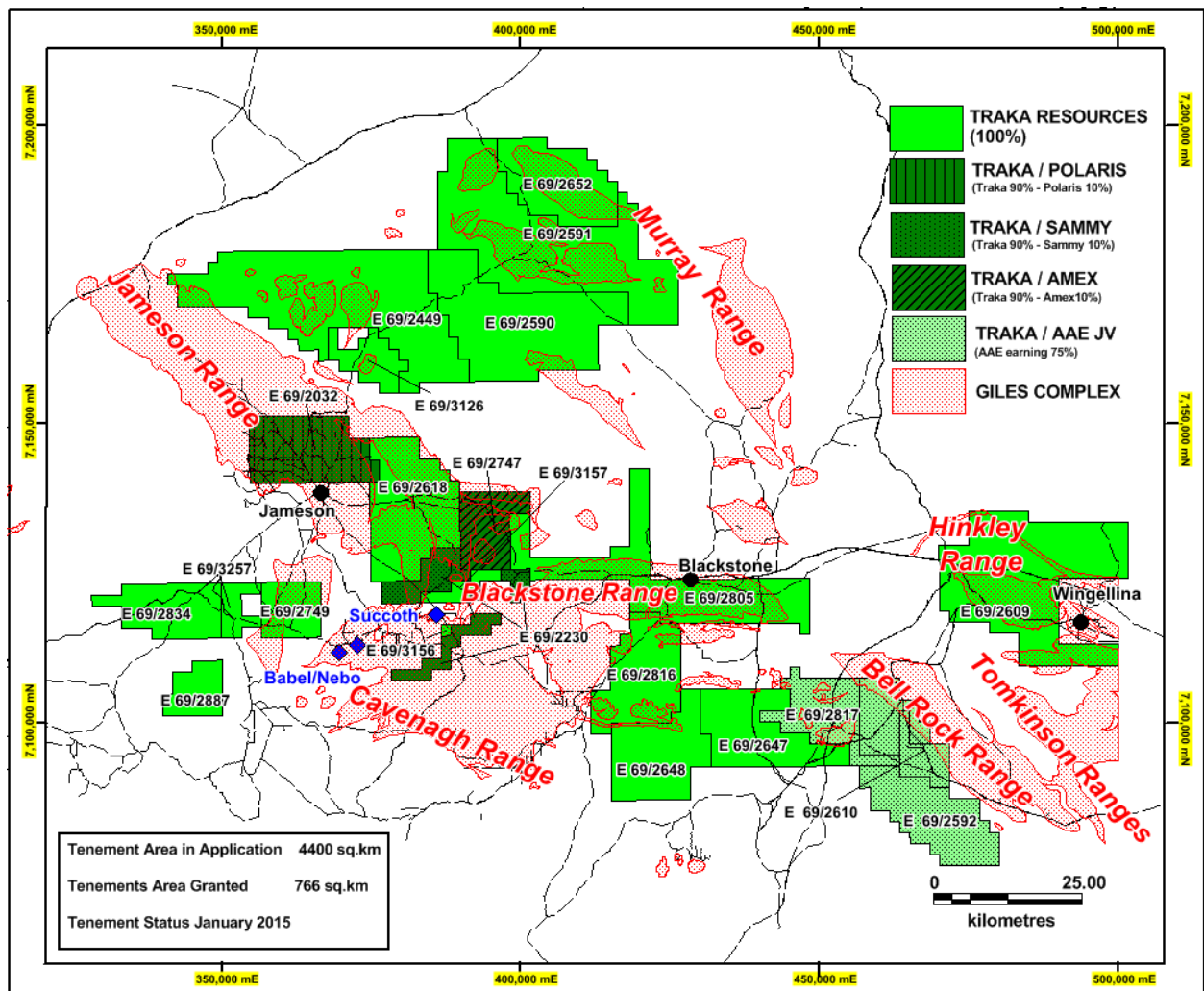


Figure 2: Musgrave Project tenement location plan

In the Jameson area Traka’s tenements are near the very significant copper and nickel resources of Babel, Nebo and Succoth (Figure 3). Cassini Resources Ltd purchased these prospects from BHP Billiton and is currently undertaking a major drill program to define resources on these targets. Traka completed a detailed review of both old and new electromagnetic (“EM”) data during the quarter and has highlighted three targets in this area (Atlas, Finlay and Janus).

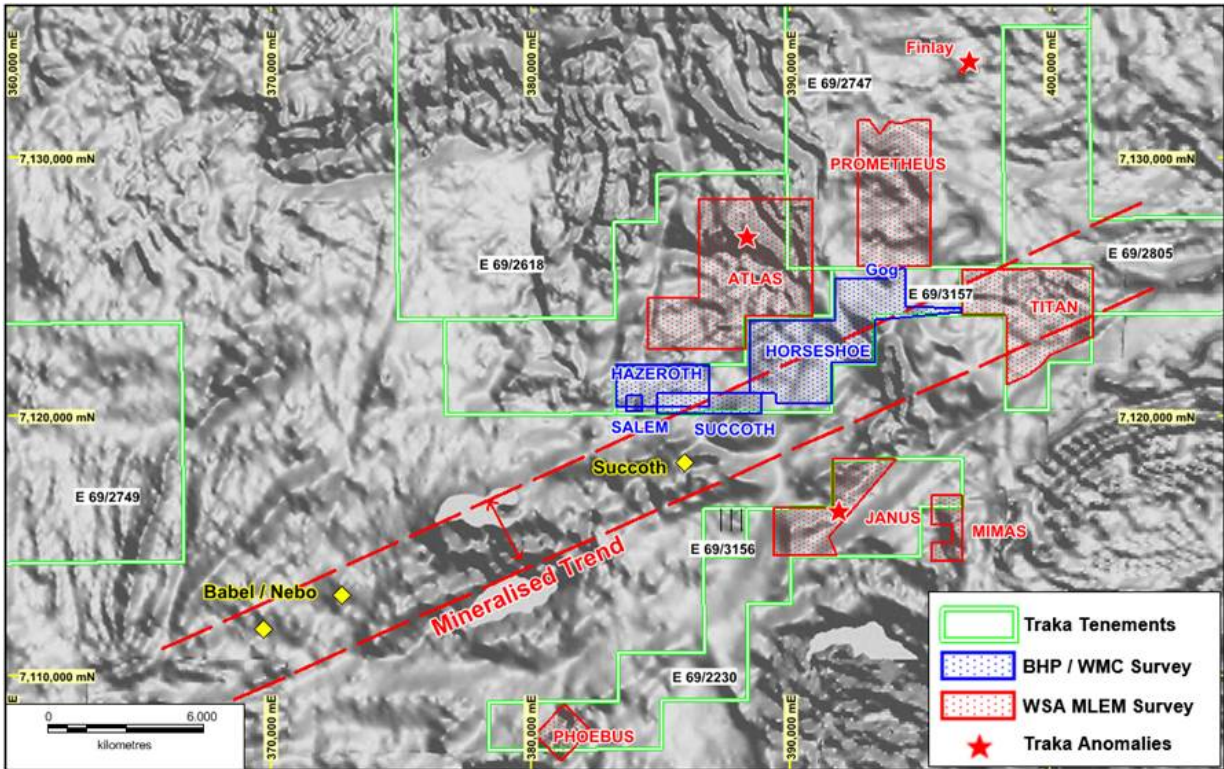


Figure 3: Tenement location plan in the Jameson area showing prospect locations and a selective number of drillhole intersections

The Atlas target is several hundred metres of drill hole WMRC004 where 6 metres @ 0.16% Cu was previously intersected. Atlas appears to be associated with anomalous copper geochemistry and a linear aeromagnetic feature extending over several kilometres in an arcuate east-west direction (Figure 4).

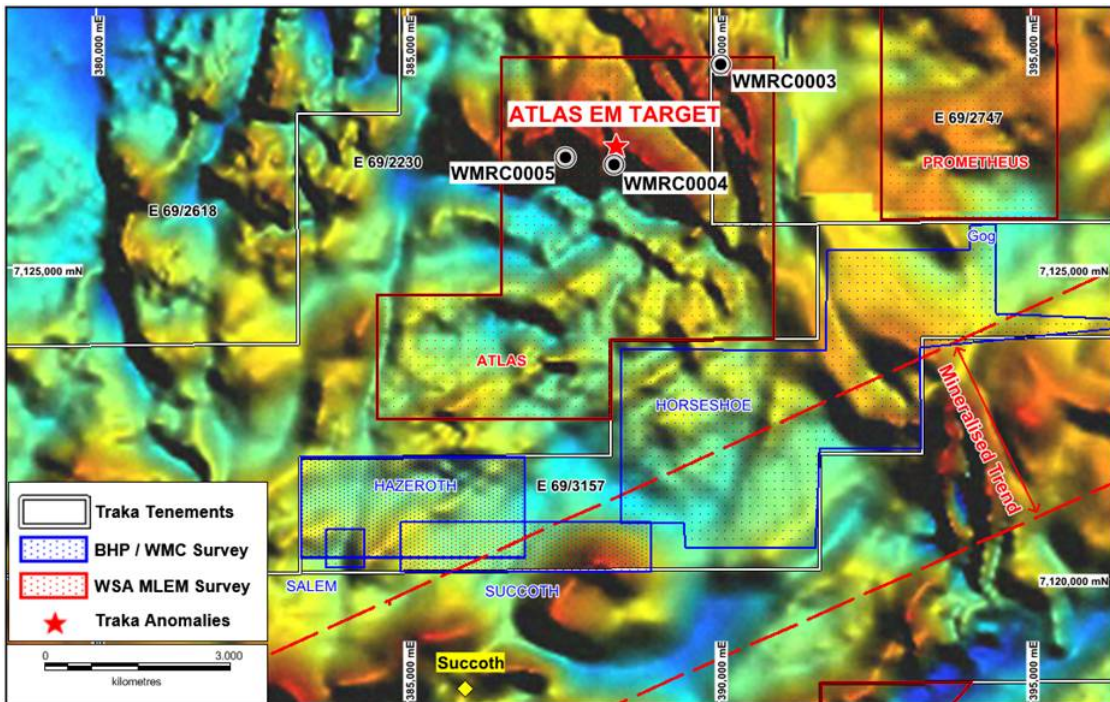


Figure 4: Aeromagnetic image showing the position of the Atlas target

The Finlay target is approximately 50m south west of drillhole WMRC007. Surface and downhole modelling of existing EM data on this target indicates that the conductor was not intersected in the drill hole. Finlay appears to relate to a north-west trending mafic body observable in aeromagnetism over several kilometres.

The Janus target is an EM target identified on the northern margin of a north-west trending structure and palaeochannel south-east of Succoth. Small infill higher resolution EM surveys are required on the Atlas and Janus prospects ahead of drill target definition, whereas at Finlay there is already sufficient data to enable drilling straight away. The Atlas, Finlay and Janus target are within exploration licences with an existing access agreement in place, so work can be advanced with minimal permitting requirements or delay.

Outside the Jameson area, Traka's holdings, including those in joint venture with AAE, are still in application stage.

In the Bell Rock area, previous airborne EM ("Spectrem") surveys by AAE highlighted five drill targets. These Spectrem anomalies are thought to reflect the presence of electrical conductors generated by massive sulphides.

In the tenements south of Blackstone Range, Traka's own work has identified a 15 kilometre zone of copper, nickel and platinum anomalism in soil samples coincident with the basal contact zone of a very large layered mafic intrusive body called Saturn. This geological setting is particularly prospective for mineralisation of the same style as the layered South African Bushveld Complex. The basal zone of the layered intrusive, where it is in contact with the country rocks, is the favoured horizon for concentrations of economic levels of copper and nickel sulphides in addition to platinum and chrome.

In the Wingellina area, Traka's holdings surround the major nickel laterite resource held by MetalsX Limited. The same mafic and ultramafic host rocks that host the Wingellina deposit extend into Traka's tenements in coincidence with the very large regional scale Mann Fault.

Finally, in the northern Murray Range area, Traka has key tenement holdings in areas of known Giles Intrusive rocks and large deep seated structures. No exploration has ever occurred in most of this region despite the widely accepted prospectivity of the area.

Traka is continuing with access negotiations and permitting to expand its exploration activities into new areas currently held under application.

The Ravensthorpe Project

Traka's interests in the Ravensthorpe Project are entirely farmed-out to Silver Lake Resources Limited, subject to the terms of 4 separate Option Agreements, each relating to a separate part of the Project. On the 12th November 2014 SLR elected to exercise two of these Options (the Bandalup and Traka Option 2 Areas). An Option Exercise Fee of \$62,500 has been paid for each of these options and Traka retains 20% equity in the Bandalup area free-carried to completion of a Bankable Feasibility Study (Figure 5).

There was no updated exploration information available from SLR for this joint venture at the time of writing this report.

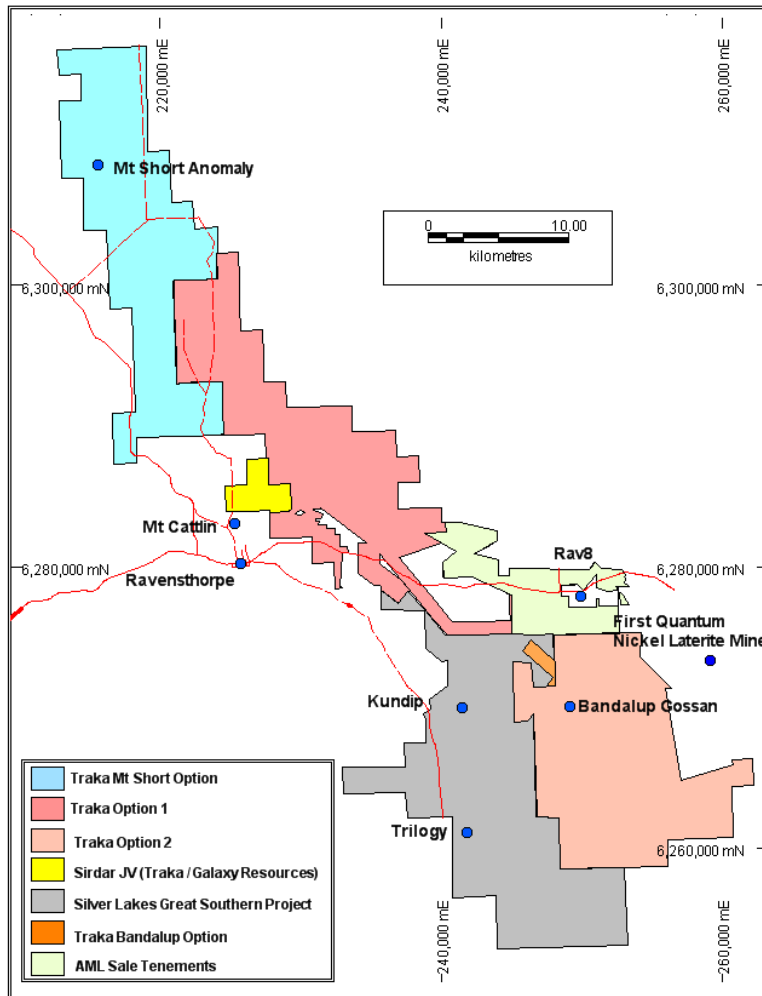


Figure 5: Location plan of the Ravensthorpe Project

Sirdar Joint Venture

(Galaxy 80%; Traka free carried)

No updated information is available for this joint venture.

The Ashburton River Project

A portfolio of tenements has been applied for within the catchment area of the Ashburton River covering rocks of the Proterozoic aged Bangemall Basin (Figure 6). There is growing industry recognition that this region has unexplored potential particularly for copper and gold mineralisation. Recent larger discoveries like DeGrussa (11mt @ 4% Cu and 1.5g/t Au) and Thaduna (2.95mt @ 3.27% Cu and 3.7g/t Ag) in similar geological settings are cause for a re-assessment of the area.

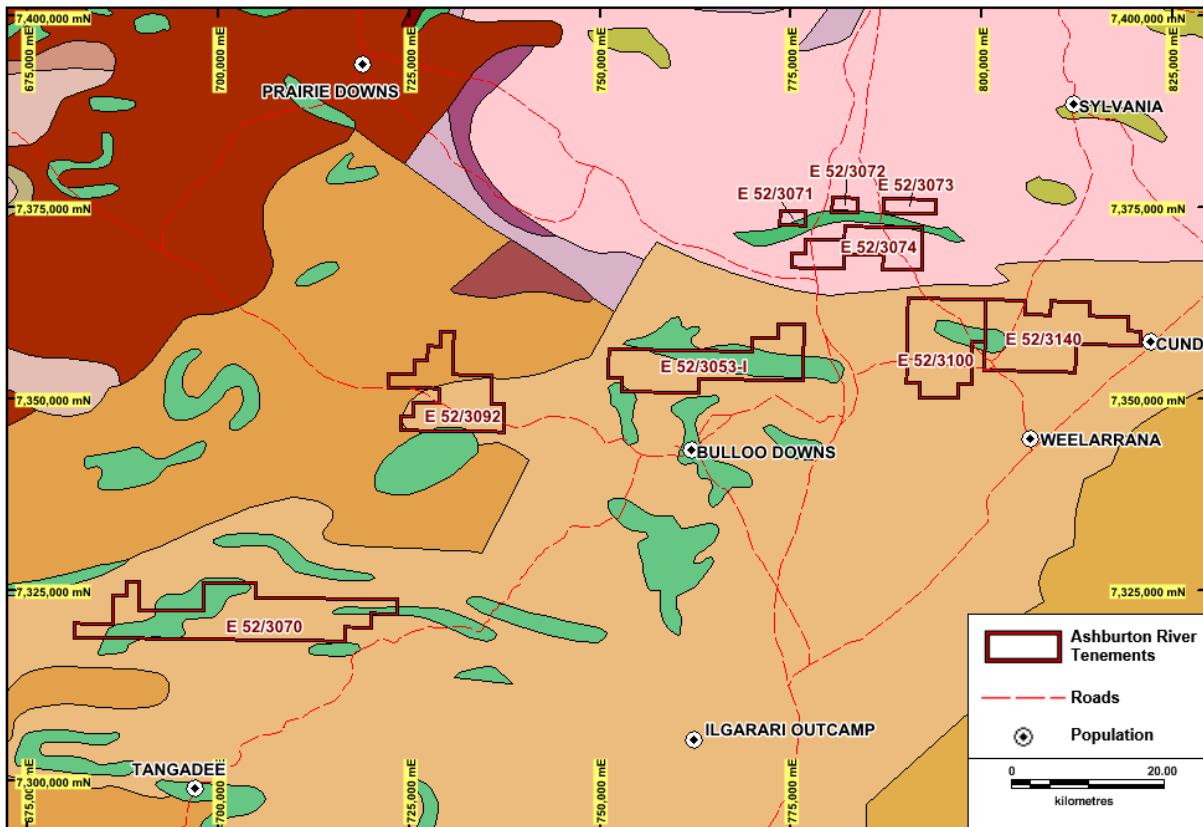


Figure 6: Location plan of the Ashburton River Project tenements

Permitting for access and data compilation is currently underway in preparation for follow up field programs.

The Dalgarranga Project

Field reconnaissance and data review has been completed on the Dalgarranga Project. There were no targets identified that would allow for drill programs early in the exploration program and as a consequence Traka has withdrawn from the area.

New Project Development

Whilst the Company is advancing its existing exploration projects as effectively as possible, the primary focus of current activity still remains the search for new projects which may be acquired through application, farm-in or corporate activity. The present period of depressed market conditions is a good opportunity for this activity while, at the same time, allowing for the existing project tenements to be granted.

Patrick Verbeek
Managing Director

30 January 2015

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

Name of entity

TRAKA RESOURCES LTD

ABN

63 103 323 173

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(114)	(203)
(b) development	-	-
(c) production	-	-
(d) administration	(98)	(257)
1.3 Dividends received	-	-
1.4 Interest & other items of a similar nature received	5	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) Receipt	125	125
Payment	-	-
Net Operating Cash Flows	(82)	(315)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(82)	(315)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(82)	(315)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(82)	(315)
1.20	Cash at beginning of quarter/year to date	667	900
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	585	585

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	85
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	1.7 Other Receipts relate to option payments received during the quarter	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	170
4.2 Development	-
4.3 Production	-
4.4 Administration	110
Total	280

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	128	10
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposit	457	657
5.5 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	585	667

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EA59/2081	Application withdrawn	100%	0%
	EA59/2085	Application withdrawn	100%	0%
	E74/522	Tenement transferred	100%	20%
	E74/379	Tenement transferred	100%	0%
	M74/083	Tenement transferred	100%	0%
	P74/262 – 264	Tenement transferred	100%	0%
	P74/269 – 270	Tenement transferred	100%	0%
	P74/272	Tenement transferred	100%	0%
	P74/274 – 275	Tenement transferred	100%	0%
	P74/280	Tenement transferred	100%	0%
	P74/281	Tenement transferred	90%	0%
	P74/295 - 298	Tenement transferred	90%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	E52/3070	Tenement granted	0%	100%
	E69/2032	Increase in Beneficial Interest	63%	90%
	E69/2230	Increase in Beneficial Interest	63%	90%
	E69/2618	Increase in Beneficial Interest	70%	100%
	E69/2747	Increase in Beneficial Interest	63%	90%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	111,848,198	111,848,198		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	2,000,000 450,000		<i>Exercise price</i> 8.75 cents 8.75 cents	<i>Expiry date</i> 17 November 2016 17 November 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,100,000		<i>Exercise price</i> 20.625	<i>Exercise date</i> 15 November 2014
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: **Peter Ruttledge**
Company Secretary

Date: **30 January 2015**

Print name: Peter Ruttledge

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+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

TRAKA RESOURCES LIMITED
MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)
For the quarter ended 31 December 2014

Mining tenements and beneficial interests held at quarter end and their location:

Type	Tenement	Location	Registered Holding	Beneficial Interest
E	69/2032	Musgrave, WA	90%	90%
E	69/2230	Musgrave, WA	90%	90%
EA	69/2449	Musgrave, WA	100%	100%
EA	69/2590	Musgrave, WA	100%	100%
EA	69/2591	Musgrave, WA	100%	100%
EA	69/2592	Musgrave, WA	100%	49%
EA	69/2609	Musgrave, WA	100%	100%
EA	69/2610	Musgrave, WA	100%	49%
E	69/2618	Musgrave, WA	100%	100%
EA	69/2647	Musgrave, WA	100%	100%
EA	69/2648	Musgrave, WA	100%	100%
EA	69/2652	Musgrave, WA	100%	100%
E	69/2747	Musgrave, WA	90%	90%
EA	69/2749	Musgrave, WA	100%	100%
EA	69/2805	Musgrave, WA	100%	100%
EA	69/2816	Musgrave, WA	100%	100%
EA	69/2817	Musgrave, WA	100%	49%
EA	69/2834	Musgrave, WA	100%	100%
EA	69/2887	Musgrave, WA	100%	100%
EA	69/3126	Musgrave, WA	100%	100%
EA	69/3156	Musgrave, WA	100%	100%
EA	69/3157	Musgrave, WA	100%	100%
EA	69/3162	Musgrave, WA	100%	100%
EA	69/3257	Musgrave, WA	100%	100%
E	74/0332	Ravensthorpe, WA	100%	100%
E	74/0378	Ravensthorpe, WA	100%	100%
E	74/0401	Ravensthorpe, WA	20%	20%
E	74/0448	Ravensthorpe, WA	100%	100%
E	74/0489	Ravensthorpe, WA	100%	100%
P	74/0265	Ravensthorpe, WA	100%	100%
P	74/0266	Ravensthorpe, WA	100%	100%
P	74/0267	Ravensthorpe, WA	100%	100%
P	74/0268	Ravensthorpe, WA	100%	100%
P	74/0271	Ravensthorpe, WA	100%	100%
P	74/0273	Ravensthorpe, WA	100%	100%
P	74/0309	Ravensthorpe, WA	20%	20%
P	74/0310	Ravensthorpe, WA	20%	20%

TRAKA RESOURCES LIMITED
MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)

For the quarter ended 31 December 2014

Mining tenements and beneficial interests held at quarter end and their location (cont'd):

Type	Tenement	Location	Registered Holding		Beneficial Interest	
EA	52/3053	Ashburton River, WA	100%		100%	
E	52/3070	Ashburton River, WA	100%		100%	
EA	52/3071	Ashburton River, WA	100%		100%	
EA	52/3072	Ashburton River, WA	100%		100%	
EA	52/3073	Ashburton River, WA	100%		100%	
EA	52/3074	Ashburton River, WA	100%		100%	
EA	52/3092	Ashburton River, WA	100%		100%	
EA	52/3100	Ashburton River, WA	100%		100%	
EA	52/3140	Ashburton River, WA	100%		100%	

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

	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
E	52/3070	Ashburton, WA	100%	100%	100%	100%
Beneficial Interests increased:						
E	69/2032	Musgrave, WA	90%	90%	63%	90%
E	69/2230	Musgrave, WA	90%	90%	63%	90%
E	69/2618	Musgrave, WA	100%	100%	70%	100%
E	69/2747	Musgrave, WA	90%	90%	63%	90%

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

	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
EA	59/2081	Dalgaranga, WA	100%	0%	100%	0%
EA	59/2085	Dalgaranga, WA	100%	0%	100%	0%
E	74/379	Ravensthorpe, WA	100%	0%	100%	0%
M	74/083	Ravensthorpe, WA	100%	0%	100%	0%
P	74/262 – 264	Ravensthorpe, WA	100%	0%	100%	0%
P	74/269 – 270	Ravensthorpe, WA	100%	0%	100%	0%
P	74/272	Ravensthorpe, WA	100%	0%	100%	0%
P	74/274 – 275	Ravensthorpe, WA	100%	0%	100%	0%
P	74/280	Ravensthorpe, WA	100%	0%	100%	0%
P	74/281	Ravensthorpe, WA	90%	0%	90%	0%
P	74/295 - 298	Ravensthorpe, WA	90%	0%	90%	0%
Beneficial Interests reduced:						
E	74/522	Ravensthorpe, WA	100%	100%	100%	20%

Key:

E :	Exploration licence
M:	Mining lease
P:	Prospecting licence
EA:	Exploration licence application