



Traka Resources Limited

ABN: 63 103 323 173

28 February 2015

Company Announcements Office

ASX Limited

PO Box H224 Australia Square

SYDNEY NSW 2000

Dear Sir / Madam

Interim Financial Report for the half-year ended 31 December 2014

Attached is the Traka Resources Limited Interim Financial Report for the half-year ended 31 December 2014.

Yours faithfully

Peter Ruttledge

Company Secretary

TRAKA RESOURCES LIMITED

ABN 63 103 323 173

INTERIM FINANCIAL REPORT

FOR HALF YEAR ENDED 31 DECEMBER 2014

The interim financial statements do not include all the notes of the type normally included in an annual financial statement. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Traka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

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TRAKA RESOURCES LIMITED

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Your Directors present their report on Traka Resources Limited (~~Traka~~ or ~~the Company~~) for the half year ended 31 December 2014.

DIRECTORS

The following persons were directors of the Company during the half year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Neil Tomkinson	Chairman - Non Executive
Patrick Andrew Verbeek	Managing Director
George Juris Petersons	Director - Non Executive
Joshua Norman Pitt	Director - Non Executive

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

The Company continues to advance its exploration interests in the Musgrave, Ravensthorpe and Ashburton Project areas. The Company also maintains an active agenda of new project generation. A brief description of each of the projects follows:

The Musgrave Project

The Company continues to maintain a very substantial exploration portfolio in the Musgrave area, although only four of the total of 24 tenements are granted. A recent data review has identified a number of targets for follow up ground electromagnetic surveys and drilling. Work programs are currently being prepared to follow up on these targets. Concurrent with the work programs, various funding strategies including discussion with potential joint venture partners are being investigated.

The Ravensthorpe Project

Traka's current holding at Ravensthorpe now comprises the wholly owned Mt Short Base Metals Project, a 20% free carried interest in the Bandalup Gossan area and a 20% free carried interest in the Sirdar Joint Venture area with Galaxy Resources Limited (~~Galaxy~~). The joint venture interests with Galaxy relate to the prospectivity of lithium and tantalum from the adjacent Mount Cattlin Lithium Tantalum Mine.

The Mt Short Base Metal Project is prospective for copper, lead, and zinc mineralisation. Previous exploration activity by Traka highlighted an 8 kilometre long copper, lead, and zinc geochemical anomaly coincident with a distinct linear aeromagnetic trend.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2014

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (cont'd)

The Ashburton Project

Over the past six months a small portfolio of tenements has been applied for within the Bangemall Basin rocks of the Ashburton region. This area is prospective for copper and gold and has had a very limited modern history of exploration for these commodities. Data collation and permitting activity is currently underway for this group of tenements.

Project Generation

The Company is maintaining an active program of Project Generation in addition to advancing its existing exploration projects. The depressed market condition that continues to prevail is likely to present new opportunities. In addition to this, it is recognised that a more advanced project is more likely to attract funding support.

EVENTS OCCURRING AFTER BALANCE DATE

On 29 January 2015, the Company's joint venture partner elected not to exercise two options that it held. As a result, the management of these tenements revert to the Company, resulting in additional estimated expenditure commitments of \$118,000 not included at Note 9.

On 6 January 2015, the Company granted 450,000 options to three staff members as an incentive. These options, which are not referred to in Note 8, are exercisable at 3.1 cents per share by 6 January 2018.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out in this Interim Financial Report.

This report is made in accordance with a resolution of the directors.



NEIL TOMKINSON
Chairman

Perth, 27 February 2015

TRAKA RESOURCES LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Revenue from continuing operations	3	10,246	4,523
Other income	3	125,000	62,500
Exploration and evaluation (expenses)/recovery		(240,378)	156,529
Administration expenses	4	(228,794)	(438,732)
Loss before income tax		(333,926)	(215,180)
Income tax expense		-	-
Loss for the half year		(333,926)	(215,180)
Total comprehensive loss for the half year attributable to ordinary equity holders of the Company		(333,926)	(215,180)
		Cents	Cents
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company		(0.30)	(0.22)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
Current assets			
Cash and cash equivalents		578,371	899,899
Trade and other receivables		4,759	58,832
Total current assets		583,130	958,731
Non-current assets			
Property, plant and equipment		62,410	67,724
Total non-current assets		62,410	67,724
Total assets		645,540	1,026,455
Current liabilities			
Trade and other payables	5	36,282	83,271
Total current liabilities		36,282	83,271
Total liabilities		36,282	83,271
Net assets		609,258	943,184
Equity			
Issued capital	6	12,572,212	12,572,212
Reserves	7	714,780	714,780
Accumulated losses		(12,677,734)	(12,343,808)
Total equity		609,258	943,184

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Contributed Equity	Share Based Payments Reserve	Exercised Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
As at 1 July 2014	12,572,212	649,980	64,800	(12,343,808)	943,184
Loss for the half year	-	-	-	(333,926)	(333,926)
Total comprehensive loss for the half year	-	-	-	(333,926)	(333,926)
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares net of transaction costs	-	-	-	-	-
Issue of options	-	-	-	-	-
As at 31 December 2014	12,572,212	649,980	64,800	(12,677,734)	609,258
As at 1 July 2013	11,503,628	556,430	64,800	(11,895,339)	229,519
Loss for the half year	-	-	-	(215,180)	(215,180)
Total comprehensive loss for the half year	-	-	-	(215,180)	(215,180)
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares net of transaction costs	1,067,964	-	-	-	1,067,964
Issue of options	-	82,250	-	-	82,250
As at 31 December 2013	12,571,592	638,680	64,800	(12,110,519)	1,164,553

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	31 December 2014	31 December 2013
	\$	\$
Cash flows from operating activities		
Interest receipts	13,874	4,523
Receipts of option fees	125,000	187,500
Recovery of security deposit	-	14,000
Reimbursement of security deposit	-	(14,000)
Payments to suppliers and employees	(244,360)	(345,929)
Payments for exploration activities	(226,473)	(104,619)
Receipt of exploration expense recoveries	13,020	273,818
Net cash (outflow)/inflow from operating activities	(318,939)	15,293
Cash flows from investing activities		
Payments for plant and equipment	(2,589)	(1,817)
Payment for acquisition of exploration right	-	(250,000)
Reimbursement of exploration right payment	-	250,000
Net cash outflow from investing activities	(2,589)	(1,817)
Cash flows from financing activities		
Proceeds from share issue	-	1,142,500
Payment for share issue costs	-	(74,536)
Net cash inflow from financing activities	-	1,067,964
Net (decrease)/increase in cash and cash equivalents	(321,528)	1,081,440
Cash and cash equivalents at the beginning of the half year	899,899	47,439
Cash and cash equivalents at the end of the half year	578,371	1,128,879

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 1 BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL STATEMENTS

The half year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements.

The half year financial statements should be read in conjunction with the annual financial statements of Traka Resources Limited as at 30 June 2014.

It is also recommended that the half year financial statements be considered together with any public announcements made by Traka Resources Limited during the half year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of accounting

The half year financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

The half year financial statements have been prepared on the accruals basis and are based on historical cost modified for financial assets and liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half year financial statements, the half year has been treated as a discrete reporting period.

Traka Resources Limited is a listed public company, incorporated and domiciled in Australia.

(b) Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Company's annual Financial Statements for the year ended 30 June 2014 and corresponding interim reporting period, except as follows:

Change of Accounting Policies:

AASB2014-1: There will be no impact on the financial statements upon adoption of these amendments as they apply prospectively to share-based payment transactions only for which the grant date is on or after 1 July 2014. No options were issued during the period.

Interpretation 21: The Company is not liable to pay any government levies so there was no impact on the financial statements upon first adoption of this interpretation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 1 BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL STATEMENTS (cont'd)

(c) Going Concern

The Company incurred a loss for the half year of \$333,926 (2013 loss: \$215,180) and a net cash outflow from operating activities of \$318,939 (2013 net cash inflow: \$15,293). At 31 December 2014, the Company had cash assets of \$578,371 and current assets exceeded current liabilities by \$546,848.

Whilst the Directors consider that the Company has sufficient cash and assets to meet its ongoing exploration commitments and administration expenditure through the next six months, they recognise that the company is dependent upon future funding alternatives to meet its ongoing commitments. Based on the Directors' assessment of the likelihood of raising additional working capital and the Company's modest ongoing exploration costs, the Directors consider it appropriate that the financial report be prepared on a going concern basis.

In the event that the Company does not achieve the additional funding referred to above, there is uncertainty whether the Company will continue as a going concern in future and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements.

NOTE 2 SEGMENT INFORMATION

The Directors of Traka Resources Limited, who, collectively as the Board are the chief operating decision makers, have determined that the Company has one reportable operating segment, being mineral exploration within Western Australia. The Board monitors the Company based on actual versus budgeted exploration expenditure. This internal reporting framework is the most relevant to assist the Board to make decisions regarding its ongoing exploration activities.

	31 December 2014 \$	30 June 2014 \$
Reportable segment assets	62,410	67,724
Reportable segment liabilities	6,317	27,420
	31 December 2014 \$	31 December 2013 \$
Reportable segment profit/(loss)	(240,378)	156,529
Reconciliation of reportable segment loss		
Reportable segment profit/(loss)	(240,378)	156,529
Other profit	135,246	67,023
Unallocated corporate expenses	(228,794)	(438,732)
Loss before income tax	(333,926)	(215,180)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	31 December 2014 \$	31 December 2013 \$
NOTE 3 REVENUE		
Revenue from continuing operations		
Interest received	10,246	4,523
Other income	125,000	62,500

Other income constitutes income from option monies received in respect of option agreements.

NOTE 4 ADMINISTRATION EXPENSES

Loss before income tax includes the following administration expenses:

Personnel expenses:

Salaries, management fees and associated expenses	128,494	228,394
Share based payments	-	82,250
less recharged to exploration expenditure	(31,901)	(47,845)
	96,593	262,799

Depreciation	7,903	8,619
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Other expenses:

Rental and rates	31,313	32,202
Company secretarial and accounting	32,421	38,392
Audit and tax	8,926	15,307
Communications	9,820	11,466
Listing fees	15,776	15,850
Other	26,042	54,097
	228,794	438,732

Information relating to the share based payments is set out in Note 8.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	31 December 2014	30 June 2014
	\$	\$
NOTE 5 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES		
Trade creditors and accruals	22,904	70,821
Employee entitlements	13,376	12,450
	36,282	83,271

NOTE 6 EQUITY – SECURITIES ISSUED

	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	No of Shares	No of Shares	\$	\$
a) Ordinary Shares				
Fully paid				
At 1 July	111,848,198	92,806,559	12,572,212	11,503,628
Issue of shares	-	19,041,639	-	1,142,500
Less cost of share issue	-	-	-	(74,536)
At 31 December	111,848,198	111,848,198	12,572,212	12,571,592
b) Options				
Unlisted				
At 1 July	3,550,000	3,750,000	649,980	556,430
Issue of options	-	2,000,000	-	82,250
Expired options	(1,100,000)	(2,650,000)	-	-
At 31 December	2,450,000	3,100,000	649,980	638,680

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31 December	30 June
	2014	2014
	\$	\$
NOTE 7 EQUITY – RESERVES		
Share based payments reserve	649,980	649,980
Exercised option reserve	64,800	64,800
	714,780	714,780

Nature and purpose of reserves

The share based payments reserve records items recognised as expenses on valuation of options issued to the Managing Director and employees.

The exercised option reserve arises on the exercise of options when the share based payments reserve attributable to the options being exercised is transferred to this reserve.

NOTE 8 SHARED BASED PAYMENTS

The Company from time to time issues options to the Managing Director and other staff members as an incentive.

During the half year ended 31 December 2014, no options were issued to the Managing Director or to other staff members however 1,100,000 options expired on 15 November 2014.

NOTE 9 COMMITMENTS FOR EXPENDITURE

In order to maintain the mineral tenements in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Mines and Petroleum for the next financial year is set out below.

	31 December	30 June
	2014	2014
	\$	\$
Minimum estimated expenditure requirements	<u>600,300</u>	<u>-</u>

The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Any such requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

NOTE 10 RELATED PARTIES

Since the end of the previous reporting date, arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2014 annual financial statements.

On 15 November 2014, 1,000,000 unlisted options issued to the Managing Director in November 2011, exercisable at 20.625 cents each, expired unexercised.

NOTE 11 EVENTS OCCURRING AFTER BALANCE DATE

On 29 January 2015, the Company's joint venture partner elected not to exercise two options that it held. As a result, the management of these tenements revert to the Company, resulting in additional estimated expenditure commitments of \$118,000 not included at Note 9.

On 6 January 2015, the Company granted 450,000 options to three staff members as an incentive. These options, which are not referred to in Note 8, are exercisable at 3.1 cents per share by 6 January 2018.

NOTE 12 CONTINGENT LIABILITIES

There are no contingent liabilities or assets and since the last annual statements date there has been no material change of any contingent liabilities or contingent assets.

NOTE 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Company does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair value of financial instruments not measured at fair value

The Company does not have any financial instruments that are not measured at fair value in the statement of financial position.

TRAKA RESOURCES LIMITED

**DIRECTORS DECLARATION
FOR HALF YEAR ENDED 31 DECEMBER 2014**

The directors of the Company declare that:

1. the financial statements and notes, as set out on this Interim Financial Statement, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2014 and of the performance for the half year ended on that date.
2. As detailed in Note 1(c), in the directors' opinion it is appropriate that this financial report be prepared on a going concern basis and that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



NEIL TOMKINSON

Chairman

Perth, 27 February 2015

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF TRAKA RESOURCES LIMITED

As lead auditor for the review of Traka Resources Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Chris Burton
Director

BDO Audit (WA) Pty Ltd

Perth, 27 February 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Traka Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Traka Resources Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Traka Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Traka Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Traka Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1(c) in the half-year financial report, which indicates that the ability of the company to continue as a going concern is dependent upon future funding alternatives. These conditions, along with other matters as set out in Note 1(c), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern in the future and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO
A handwritten signature in black ink, appearing to read 'C Burton', is written over the printed name.

Chris Burton
Director

Perth, 27 February 2015