



Traka Resources Limited

ABN: 63 103 323 173

22 July 2015

The Manager
Announcements
Company Announcements Office
ASX Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir / Madam,

Non-renounceable Entitlement Offer - Prospectus

We attach a copy of the company's prospectus, lodged with the Australian Securities and Investments Commission on 22 July 2015, in respect of a non-renounceable pro-rata entitlement offer of shares.

Yours faithfully

Peter Rutledge
Company Secretary



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

PROSPECTUS

FOR AN ENTITLEMENT OFFER OF SHARES

DATED

22 JULY 2015

For a non-renounceable pro rata issue of up to 111,848,198 fully paid ordinary shares in Traka Resources Limited at a price of 1.5 cents each to all holders of ordinary shares in Traka Resources Limited as at 30 July 2015, on the basis of 1 share for every share held, to raise up to \$1,677,723 before costs.

IMPORTANT NOTICE TO ALL SUBSCRIBERS TO THE OFFER

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
IT SHOULD BE READ IN ITS ENTIRETY**

If you are in doubt as to the course you should follow,
or you need an informed opinion, you should consult your
stockbroker, solicitor, accountant or other professional
adviser immediately

THIS ISSUE IS NOT UNDERWRITTEN

CORPORATE DIRECTORY

Directors

Neil Tomkinson
Non-executive Chairman

Patrick Verbeek
Managing Director

Joshua Pitt
Non-executive Director

George Petersons
Non-executive Director

Registered and Business Office

Suite 2, Ground Floor
43 Ventnor Avenue
West Perth WA 6005
Telephone: (08) 9322 1655
Facsimile: (08) 9322 9144
Email: traka@trakaresources.com.au
Website: www.trakaresources.com.au

Company Secretary

Peter Rutledge

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St George's Terrace
GPO Box D182
Perth WA 6840
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Home Exchange

Australian Securities Exchange
2 The Esplanade
Perth WA 6000

Traka Resources Limited (ABN 63 103 323 173) is a public listed company incorporated and domiciled in Australia.

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SECTION 1 – EXPLANATION OF THE PROSPECTUS

This Prospectus is dated 22 July 2015. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. Neither ASIC nor the Australian Securities Exchange (**ASX**) is responsible for the contents of this Prospectus.

This Prospectus is a transaction specific prospectus issued in accordance with Section 713 of the Corporations Act 2001, which allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is therefore intended to be read in conjunction with publicly available information in relation to the Company which has been notified to the ASX; it does not include all information that would be included in a prospectus for an initial offering of securities of a company that is not already listed on the ASX. Accordingly, shareholders should read this Prospectus in its entirety and should also have regard to other publicly available information in relation to the Company before deciding whether to apply for securities under this Prospectus. Refer to Section 2.1 for further information in this regard.

The securities offered under this Prospectus are shares (the **New Shares**) in a class of shares that are listed for quotation on a stock market of the ASX.

No securities will be issued on the basis of this Prospectus after the Expiry Date which is 13 months after the date of this Prospectus.

All monetary amounts referred to in this Prospectus are expressed in Australian Dollars.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia (other than New Zealand) may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

SECTION 2 – INFORMATION AVAILABLE

2.1 Continuous Disclosure

Traka Resources Limited (**Traka** or **the Company**) is a "disclosing entity" for the purposes of Section 111AC of the Corporations Act 2001. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Disclosing entities are, pursuant to the Corporations Act 2001, required to issue a prospectus satisfying the test set out in Section 713 of the Corporations Act 2001, where the securities offered by the prospectus are to be quoted and the securities are in a class of securities that were quoted securities at all times in the twelve months before the issue of the prospectus.

The Company believes that it has complied with the general and specific requirements of the ASX (as applicable from time to time throughout the twelve months before the issue of this Prospectus) which require the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to a stock market conducted by the ASX, and thereby keep the market fully informed.

The shares offered by this Prospectus are considered to be in a class of securities that have been enhanced disclosure securities at all times during the twelve months prior to the issue of this Prospectus.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Information that is already in the public domain has not been reported in this Prospectus other than that information which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents free of charge to any person who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ended 30 June 2014; and
- (b) the following documents, being all the continuous disclosure notices used to notify the ASX of information relating to the Company during the period after lodgement of the Annual Financial Report referred to in (a) and before the lodgement of this Prospectus with ASIC:

| Lodgement Date | Headline/Description of Announcement |
|-----------------------|--|
| 25 Sep 2014 | Becoming a substantial holder |
| 10 Oct 2014 | Notice of 2014 annual general meeting and proxy form |
| 10 Oct 2014 | 2014 annual report to shareholders |
| 10 Oct 2014 | Change of director's interest notices |
| 16 Oct 2014 | Western Areas withdraws from Musgrave JV |
| 29 Oct 2014 | Quarterly activities, cash flow and tenement report |
| 12 Nov 2014 | Silver Lake Resources exercises two options at Ravensthorpe |
| 13 Nov 2014 | Results of AGM |
| 17 Nov 2014 | Expiry of unlisted director and staff options |
| 17 Nov 2014 | Change of director's interest notice |
| 14 Jan 2015 | Appendix 3B – Issue of staff options |
| 30 Jan 2015 | Quarterly activities, cash flow and tenement report |
| 4 Feb 2015 | Notice of general meeting and proxy form |
| 2 Mar 2015 | Half year financial accounts |
| 9 Mar 2015 | Exercise price of director options proposed at EGM on 10 March |
| 10 Mar 2015 | Results of extraordinary meeting |
| 12 Mar 2015 | Appendix 3B – Issue of director options |
| 12 Mar 2015 | Change of director's interest notice |
| 29 Apr 2015 | Quarterly activities, cash flow and tenement report |
| 12 Jun 2015 | Change of registry address |
| 15 Jun 2015 | Response to ASX price query |
| 13 Jul 2015 | Traka secures rights to Yallalong antimony discovery |
| 22 Jul 2015 | Quarterly activities, cash flow and tenement report |

2.2 Effect of this Prospectus

When this Prospectus is forwarded to members of the Company they shall have been served with a prospectus for the purpose of the application for the allotment of and the issue of New Shares.

2.3 Website – Electronic Prospectus

This Prospectus will not be issued as an electronic Prospectus but a copy of the Prospectus excluding the Entitlement and Acceptance Form may be accessed and downloaded for general information purposes only from the Company's website on the internet at www.trakaresources.com.au

SECTION 3 – SUMMARY OF THE OFFER AND TIMETABLE OF IMPORTANT DATES

3.1 The Entitlement Offer

Up to 111,848,198 fully paid ordinary shares in Traka are being offered at a price of 1.5 cents each to all holders of ordinary shares in the Company as at 30 July 2015 on the basis of 1 share for every 1 share held, to raise up to \$1,677,723 before costs.

The issue is not underwritten.

3.2 Timetable of Important Dates

| | |
|--|----------------|
| Announcement of Entitlement Offer and application for quotation (Appendix 3B) | 22 July 2015 |
| Lodgement of Prospectus with ASIC and ASX | 22 July 2015 |
| Despatch of notice to Shareholders containing Appendix 3B information | 27 July 2015 |
| Ex date - shares trade ex-entitlements | 28 July 2015 |
| Record Date for determining entitlements to New Shares | 30 July 2015 |
| Prospectus and Entitlement and Acceptance Form despatched and Offer opens | 4 August 2015 |
| Last day to extend the offer closing date | 10 August 2015 |
| Offer closes - latest date for acceptances and payment in full | 13 August 2015 |
| Shares quoted on a deferred settlement basis | 14 August 2015 |
| Notify ASX of undersubscriptions | 18 August 2015 |
| Issue date – New Shares entered in shareholders' holdings and deferred settlement ends | 20 August 2015 |
| Despatch of holding statements | 21 August 2015 |

These dates are indicative only and may vary. The Company reserves the right to vary the date that the Entitlement Offer opens and closes without prior notice. This may impact on subsequent dates. Applicants are encouraged to apply as soon as possible after the Entitlement Offer opens as it may close earlier than the date specified. The Company reserves the right not to continue with the Entitlement Offer at any time before the allotment of New Shares to successful applicants.

SECTION 4 – CHAIRMAN’S LETTER

Dear Shareholder,

Traka has recently secured the right to earn up to an 80% interest in the newly discovered Yallalong Antimony Project, located 220 kilometres north-east of Geraldton, from private interests referred to in this letter as “the Yallalong Syndicate”.

Your Company was attracted to the project by the presence of very high grade antimony mineralisation in rock-chip samples of quartz veins, with antimony mineralisation being visible as stibnite, the principal form of antimony sulphide, and other antimony oxide minerals.

The association of antimony mineralisation with major fault systems and sedimentary host rocks similar to the geological setting at Yallalong is typical of important antimony deposits in the world. Despite this similarity and the relative proximity to established infrastructure, there is no history of systematic exploration in the Yallalong district.

Drill testing of the discovery area will dominate the first round of follow up exploration work, but additional geochemical and geological surveys will also begin to investigate an anomaly to the north.

The Yallalong Project is owned by the Yallalong Syndicate which was responsible for the initial discovery. The earn-in terms provide Traka with the ability to access early results after a relatively modest committed expenditure before deciding how much to invest in the forwarding of the project. Should initial drilling results prove positive, Traka can elect to earn a 51% interest after which the Yallalong Syndicate has the right to sell its remaining 49% interest to Traka for 20,000,000 Traka shares, or elect to allow Traka to earn up to 80% by expending the next \$2,000,000 in exploration costs. Full details of the Yallalong Agreement may be found in the Company’s ASX announcement of 13 July 2015.

Traka now seeks to raise up to \$1,677,723 through this non-renounceable rights issue to fund future exploration activities, which will be largely be focussed at Yallalong, with lesser attention this year on Traka’s Musgrave and Ravensthorpe Projects.

Together with my fellow Directors I commend this rights issue opportunity to you.

Neil Tomkinson
Chairman

22 July 2015

SECTION 5 – PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

5.1 Purpose of the Entitlement Offer

The Entitlement Offer will raise funds for the following purposes:

- (a) to fund exploration and evaluation expenditure arising from the Company's recent agreement to earn into the Yallalong Project;
- (b) to fund other exploration and evaluation expenditure particularly on the company's Ravensthorpe, Ashburton and Musgrave projects;
- (c) to fund evaluation of new projects;
- (d) to meet ongoing administration and operating costs of the Company, including the costs of this issue;

The estimated allocation of funds to be raised is as follows:

| | <u>\$M</u> |
|---|------------|
| Exploration and evaluation expenditure on the Company's Yallalong Project | 0.6 |
| Exploration and evaluation expenditure on the Company's Ravensthorpe, Ashburton and Musgrave Projects | 0.4 |
| Evaluation of new projects | 0.2 |
| Ongoing administration and operating costs including costs of this issue | <u>0.5</u> |
| Gross proceeds of the Entitlement Offer | <u>1.7</u> |

5.2 Effect of this Entitlement Offer on the Company's Capital Structure

The capital structure before and after the Entitlement Offer is presented below based on the assumptions that:

- (a) the holders of unlisted staff and director options in the Company will not convert their holdings to fully paid shares before the Record Date;
- (b) all Entitlements are taken up.

| ORDINARY SHARES | No of shares |
|------------------------|---------------------|
| FULLY PAID | |
| On issue | 111,848,198 |
| New Shares | 111,848,198 |
| After this Issue | <u>223,696,396</u> |

5.3 Effect of this Entitlement Offer on the Company's Statement of Financial Position

The effect of the Entitlement Offer on the audit reviewed Statement of Financial Position of the Company as at 31 December 2015 is shown in the Unaudited Proforma Post-Issue Statement of Financial Position set out below, based on the assumptions that:

- (a) the Entitlement Offer was effective as at 31 December 2015;
- (b) the holders of unlisted options in the Company will not convert their holdings to fully paid shares before the Record Date;
- (c) all Entitlements are taken up, raising \$1,660,723 after expenses of the Issue.

STATEMENT OF FINANCIAL POSITION

| | Notes | Audit Reviewed 31 December 2014 \$ | Unaudited Proforma Post-Issue \$ |
|-----------------------------|-------|--|---|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 1 | 578,371 | 2,239,094 |
| Trade and other receivables | | 4,759 | 4,759 |
| TOTAL CURRENT ASSETS | | <u>583,130</u> | <u>2,243,853</u> |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | | 62,410 | 62,410 |
| TOTAL NON-CURRENT ASSETS | | <u>62,410</u> | <u>62,410</u> |
| TOTAL ASSETS | | <u>645,540</u> | <u>2,306,263</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 36,282 | 36,282 |
| TOTAL CURRENT LIABILITIES | | <u>36,282</u> | <u>36,282</u> |
| TOTAL LIABILITIES | | <u>36,282</u> | <u>36,282</u> |
| NET ASSETS | | <u>609,258</u> | <u>2,269,981</u> |
| EQUITY | | | |
| Issued capital | | 12,572,212 | 14,232,935 |
| Reserves | | 714,780 | 714,780 |
| Accumulated losses | | <u>(12,677,734)</u> | <u>(12,677,734)</u> |
| TOTAL EQUITY | | <u>609,258</u> | <u>2,269,981</u> |

Note 1: The audit reviewed 31 December 2014 Statement of Financial Position has been used as the basis for the proforma post issue balance sheet because it is the most recent audited or audit reviewed statement. The financial statements of the Company for the year ended 30 June 2015 have still to be finalised and audited. It should therefore be noted that the Company's cash balances, as reflected in the Company's recently announced (unaudited) quarterly cash flow report to 30 June 2015, have decreased in the six months since 31 December by some \$432,000 to \$146,100.

5.4 Consequences of a shortfall

As set out in Section 6.5 of this Prospectus, Director Linked Entities have committed to take up their full entitlement under this Offer subject to their substantial shareholding not exceeding the 20% threshold allowed in Section 606 of the Corporations Act. If the total of all funds raised from acceptances of Entitlements and applications for Additional Shares is less than the \$1,660,723 (after expenses of the issue) being sought in this Offer, the Company has the ability to amend its expenditure budgets accordingly while the Directors consider other options, which may include the sale of exploration assets or alternative equity raising opportunities.

SECTION 6 – DETAILS OF THE ENTITLEMENT OFFER

6.1 The Offer

This Prospectus invites all existing holders of ordinary shares in the Company to participate in a pro-rata non-renounceable Entitlement Offer of New Shares on the basis of 1 New Share for every 1 Share held on the Record Date at an issue price of 1.5 cents per New Share. Fractional entitlements will be disregarded through rounding down.

The holders of 4,900,000 unlisted options to acquire ordinary shares in the Company will not be entitled to participate in the Entitlement Offer in respect of their options unless they first exercise their options converting them to Shares before the Record Date.

Assuming existing options are not exercised, the Entitlement Offer is for up to 111,848,198 New Shares and will raise up to \$1,677,723 before costs (estimated to be approximately \$17,000) if all Entitlements are taken up. There is no minimum subscription.

It is assumed that existing option holders, comprising members of staff and a Director of the Company, will not choose to exercise their options before the Record Date because the exercise price of the options exceeds the current market price of the Company's shares. However, should all of the 4,900,000 outstanding options be exercised before the Record Date and the resulting entitlements to New Shares be taken up, this would result in an additional 4,900,000 New Shares being issued and an additional \$353,025 being raised, comprising \$279,525 of exercise monies from conversion of the options and \$73,500 subscription monies from acceptance of the resulting entitlements to New Shares.

6.2 No Rights Trading

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly there will be no rights trading on the ASX.

6.3 Opening and Closing Dates

The Entitlement Offer will open for receipt of acceptances at 10.00 am WST on **Tuesday 4 August 2015** and will close at 5.00 pm WST on **Thursday 13 August 2015**, or such later date not exceeding 13 months from the date of this Prospectus as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives the ASX notice of the change at least 3 Business Days prior to the Closing Date.

6.4 Not underwritten

The Offer is not underwritten.

6.5 Directors' Support of the Offer and Effect of Control and Dilution

Entities associated with two of the Company's Directors, Mr Neil Tomkinson and Mr Joshua Pitt, (together the "Director Linked Entities") currently hold a 16.04% relevant interest in the shares of the Company, and have committed to take up their full entitlement under this Offer subject to their relevant interest not exceeding the 20% threshold defined in Section 606 of the Corporations Act.

In the event that total subscriptions under the Offer (including subscriptions for Additional Shares under the Shortfall facility) are less than the total number of New Shares on offer, the Director Linked Entities will apply for that number of New Shares that will take their relevant interest in the shares of the Company up to a maximum of 19.99%.

A range of possible subscriptions possible by the Director Linked Entities, including minimum and maximum subscriptions, is set out in the table below and is based on the assumption that the Director Linked Entities will take up the maximum possible number of New Shares allowed under their Entitlement within the limits set by the Corporations Act.

| New Shares subscribed for by Shareholders other than the Director Linked Entities | | New Shares issued to Director Linked Entities | Total Shares on issue after Issue | Total Shares held by Director Linked Entities | Voting Power of Director Linked Entities | Total amount raised before costs \$ |
|---|---------------------------------------|---|-----------------------------------|---|--|-------------------------------------|
| New Shares issued | % acceptances of available New Shares | | | | | |
| 0 | 0% | 5,516,295 | 117,364,493 | 23,461,162 | 19.99% | \$82,744 |
| 10,000,000 | 10.6% | 8,014,733 | 129,862,931 | 25,959,600 | 19.99% | \$270,221 |
| 20,000,000 | 21.3% | 10,513,171 | 142,361,369 | 28,458,038 | 19.99% | \$457,698 |
| 30,000,000 | 31.9% | 13,011,608 | 154,859,806 | 30,956,475 | 19.99% | \$645,174 |
| 40,000,000 | 42.6% | 15,510,046 | 167,358,244 | 33,454,913 | 19.99% | \$832,651 |
| 50,000,000 | 53.2% | 17,944,867 | 179,793,065 | 35,889,734 | 19.96% | \$1,019,173 |
| 93,903,331 | 100% | 17,944,867 | 223,696,396 | 35,889,734 | 16.04% | \$1,677,723 |

The columns in the table above depicting the Total Shares held by Director Linked Entities and the Voting Power of Director Linked Entities show the effect of other shareholders taking up New Shares in the Offer.

The more New Shares taken up by Shareholders other than the Director Linked Entities, the more New Shares that the Director Linked Entities will be able to take up until Director Linked Entities take up their maximum Entitlement of 17,944,867 New Shares. This occurs if Shareholders other than Director Linked Entities take up, through acceptances and shortfall applications, approximately 53% of the shares to which they are entitled.

The minimum number of New Shares that Director Linked Entities will take up is 5,516,295 New Shares in the event that no other Shareholders take up their New Share Entitlements and Director Linked Entities are restricted to taking up just that number of New Shares that will increase their voting power to 19.99%.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by up to 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

| Holder | Holding as at Record date | % at Record Date | Entitlements under the Offer | Holdings if Offer not taken up | % post Offer |
|---------------|---------------------------|------------------|------------------------------|--------------------------------|--------------|
| Shareholder 1 | 20,000,000 | 17.88% | 20,000,000 | 20,000,000 | 8.94% |
| Shareholder 2 | 7,000,000 | 6.26% | 7,000,000 | 7,000,000 | 3.13% |
| Shareholder 3 | 5,000,000 | 4.47% | 5,000,000 | 5,000,000 | 2.24% |
| Shareholder 4 | 1,000,000 | 0.89% | 1,000,000 | 1,000,000 | 0.45% |
| Shareholder 5 | 500,000 | 0.45% | 500,000 | 500,000 | 0.22% |
| Shareholder 6 | 100,000 | 0.09% | 100,000 | 100,000 | 0.04% |

Note: The dilutionary effect shown in the table represents the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Facility.

6.6 Share Market Trading

The latest available market sale price of the Company's shares on the ASX on the day immediately before the announcement of the terms of the Entitlement Offer was 1.7 cents on 21 July 2015.

The highest and lowest recorded sale prices of the Company's shares during the three months immediately preceding the announcement of this issue and the respective dates of those sales were:

| | | | |
|----------------|-----------|-------|--------------|
| Highest price: | 2.1 cents | Date: | 15 June 2015 |
| Lowest price: | 1.0 cents | Date: | 10 June 2015 |

6.7 Entitlements and Acceptances

Your entitlement to New Shares is set out in the accompanying Entitlement and Acceptance Form.

The Entitlement Offer is non-renounceable and accordingly you may not dispose of any part of your entitlement.

You may:

- Accept your entitlement in full – refer below; or
- Accept part of your entitlement and allow the balance to lapse – refer below; or
- Not accept any of your entitlement and allow it to lapse – refer below.

Acceptance of Entitlement in Full

If you wish to accept your entitlement in full, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form and submit your acceptance either electronically by BPAY® no later than 3.00 pm WST on the Closing Date, or, together with a cheque, by mail so that it is received at the Company's Share Registry no later than 5.00 pm WST on the Closing Date, 13 August 2015. If you are using BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

Partial Acceptance of Entitlement

If you wish to accept part of your entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form for that part of your entitlement that you wish to accept and submit your acceptance either electronically by BPAY® no later than 5.00 pm WST on the Closing Date, or, together with a cheque, by mail so that it is received by the Company's Share Registry no later than 5.00 pm on the Closing Date, 13 August 2015. If you are using BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

Non-Acceptance of Entitlement

If you do not wish to take up any part of your entitlement, you are not required to take any action.

Payment for Acceptances by cheque or BPAY®

Entitlements may be taken up by submitting the completed Entitlement and Acceptance Form together with your cheque or money order, made payable to "Traka Resources Limited" and crossed "Not Negotiable", to:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Vic 3001 Australia

to be received **no later than 5pm WST on 13 August 2015.**

Alternatively, entitlements may be taken up electronically using BPAY®, in which case you are not required to return the Entitlement and Acceptance Form. You can simply make payment for the total number of shares accepted by using the Biller Code and the personalised Reference Number set out in your Entitlement and Acceptance Form. You must ensure that acceptance and payment by BPAY® is received **no later than 3pm WST on 13 August 2015.**

Instructions for payment using BPAY® are set out in your Entitlement and Acceptance Form. You should be aware that your own financial institution may impose earlier cut-off times with regard to electronic payments and you should therefore take this into consideration when making payment. It is the responsibility of the Eligible Shareholder to ensure that funds submitted through BPAY® are received by the Closing Date.

6.8 Additional Shares – Shortfall Facility

Entitlements not taken up will constitute the Shortfall and these shares may be issued and allotted at the discretion of the Directors.

Neither the Director Linked Entities nor any other Director will apply for shares under the Shortfall Facility.

If you accept your Entitlement in full you may apply for additional shares (**Additional Shares**) to be issued to you from the Shortfall.

This can be done by completing the Additional Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the Form, and including the consideration for these Additional Shares with the payment for your entitlement shares. As set out in Section 6.7, payment can be made by cheque / money order accompanying the Entitlement and Acceptance Form, or by BPAY®.

The Directors will retain discretion in assessing the number and basis of allocation of Additional Shares applied for from the Shortfall.

If the number of Additional Shares applied for exceeds the number of shares in the Shortfall, the Directors will determine the basis of the scale-back of applications to determine the number of Additional Shares to be allotted.

If the number of Additional Shares applied for and allotted is less than the number of shares in the Shortfall, all or part of the the balance remaining after allotment of the Additional Shares may be allotted at the Directors' discretion, within 3 months of the closing date of this Offer, at a price no less than the price of this Offer.

Enquiries

If you have any queries regarding your Entitlement, Acceptance of your Entitlement or Application for Additional Shares, please contact the Company by telephone on (08) 9322 1655 (from New Zealand +61 8 9322 1655) or your stockbroker or professional adviser.

6.9 Issue and Allotment of New Shares

The New Shares are expected to be issued and allotted by no later than 20 August 2015 and holding statements will be despatched one business day after the issue. Until the issue and allotment of the New Shares under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only as required by the Corporations Act. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place or not.

6.10 ASX Listing

The Company has made application to the ASX for the official quotation of the New Shares offered by this Prospectus. If approval is not granted by the ASX for the official quotation of the New Shares within three (3) months after the date of this Prospectus, the Company will not allot or issue any New Shares and will repay all application monies (where applicable) within the time prescribed under the Corporations Act 2001, without interest.

The fact that the ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

6.11 CHESS System

The Company participates in the Clearing House Electronic Subregister System ("CHESS"). ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532 ("ASTC"), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the offer made under this Prospectus.

Shareholders who are broker-sponsored will receive a CHESS statement from ASTC.

Shareholders registered under the Issuer Sponsored subregister will receive a statement from the Company's Share Registry.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

6.12 Overseas Investors

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Given the small number of shareholders registered with overseas addresses other than New Zealand, the number and value of New Shares these shareholders would be offered and the cost of regulatory compliance in those overseas jurisdictions, it is not practicable to extend this offer to shareholders other than those with Australian and New Zealand registered addresses. Consequently no offer of entitlements will be made to shareholders with registered addresses outside Australia and New Zealand.

New Shares to which Eligible Shareholders who are not residents of Australia and New Zealand would otherwise be entitled will form part of the Shortfall.

New Zealand shareholders

The New Shares are being offered to existing shareholders of the Company with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

Shareholders resident in New Zealand should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to accept their entitlements under this Offer.

6.13 No issue of New Shares after the Expiry Date

No New Shares will be issued on the basis of this Prospectus later than the Expiry Date.

6.14 Ranking of New Shares

The New Shares will rank equally in all respects with the Company's existing issued fully paid ordinary shares. The Company currently has 111,848,198 fully paid ordinary shares on issue.

6.15 Dividend Policy

As the Company is an exploration company the Directors have not considered it necessary to formulate a dividend policy. A dividend policy will become appropriate in the event of the development of a cash flow which leads to trading profits.

6.16 Taxation Implications

The Directors do not consider that it is appropriate to give shareholders advice regarding the taxation implications of applying for New Shares under the Entitlement Offer. Neither the Company nor its advisers or Directors accept any responsibility or liability for any taxation consequences to shareholders. Shareholders should therefore consult their professional tax adviser in relation to any taxation implications of the Entitlement Offer which may be relevant to them.

SECTION 7 – INVESTMENT CONSIDERATIONS - RISKS

The shares offered pursuant to this Prospectus are speculative.

The value of the Company's shares can and does fluctuate depending on various factors including the general economic conditions in Australia, world-wide prices of metals and minerals, increases in operating costs in the Company's areas of operation and non-Australian factors which influence the Australian share market.

The ownership of the Company's shares involves certain risks and shareholders in doubt should consult their stockbroker or financial adviser for advice. Factors which in the opinion of the Directors should be taken into account include:

Equity Markets

The price of shares quoted for trading by the ASX is impacted by various international and domestic factors. As the Company is listed on the ASX, its share price is subject to these numerous influences that may reflect both the trends in the share market and the share prices of individual companies.

Government

In Australia, where the Company operates, Government policies are subject to review and change from time to time and the Company relies upon Government agencies promptly and favourably dealing with applications and consents. Such matters are likely to be beyond the control of the Company. Changes in community attitudes on matters such as taxation, environment and landholder issues may bring about reviews and possible changes in government policies and regulations. Any such government action or inaction may limit or prohibit operations or require increased capital or operating expenditure and could adversely impact the Company's business.

Taxation

The Company is subject to various forms of taxation in Australia. There is an ongoing risk that changes to taxation legislation or the interpretation or enforcement of taxation laws or regulations may adversely impact revenues, and therefore the financial performance of the Company.

Economic Conditions and Project Delays

Domestic and global economic conditions may affect Company performance. Factors such as inflation, interest rates, prices and availability of critical supplies, such as gas, oil, power and water may delay operations and impact operating costs and may adversely affect the prospects of the Company. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and its Directors.

Contractual and Other Legal Risks

All permits and contracts entered into by the Company are subject to interpretation. There is no guarantee that the Company will be able to enforce all its presumed rights under its permits and contracts. The introduction of new legislation or amendments to existing legislation or changes in regulation or administrative practices by governments, developments in existing common law or civil law, or the interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets and operations and therefore on the financial performance and share price of the Company.

Litigation Risk

Exposure to litigation brought by third parties such as joint venture participants, contractors, regulators, or employees could negatively impact on the Company and its operations and licences. Legal claims, if successful could adversely impact the profits or financial position of the Company.

Exploration and Appraisal Risk

Potential investors should understand that mineral projects are high-risk undertakings. There can be no assurance that exploration of the Company's tenements will result in economic mineral reserves. The estimated costs of the Company are based on certain assumptions. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Title Risks

Interests in tenements are governed by the granting of licences or leases by the appropriate government authorities. The conduct of operations and the steps involved in acquiring all licences and permits involve compliance with numerous procedures and formalities. It is not always possible to correctly interpret, or comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly complied with, or that it is possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the titles.

Yallalong Project

This new greenfields investment represents a speculative high risk exploration play based on rock-chip sample results which produced indications of potential high grade antimony mineralisation. If successful, the Company has the opportunity to earn up to 80% of an exciting new antimony deposit. The downside risk, at the date of this Prospectus, is limited to the initial commitment of a \$50,000 option fee, the cost of a heritage survey, and the cost of geochemical analysis and undertaking of 600 metres of reverse circulation drilling.

Speculative Nature of Investment

This list of risk factors is not exhaustive of the risks faced by the Company or by investors in the Company. Potential investors should also have regard to the Company's prior publications and announcements. The above factors, and others not referred to specifically above, may in the future materially affect the financial performance of the Company and the value of the shares offered under this document. Potential investors should treat the investment in the Company as speculative and should consult their stockbroker or professional advisers before deciding whether to apply for shares.

SECTION 8 – ADDITIONAL INFORMATION

8.1 Interests of Directors

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or its promotion of the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or offer of the securities.

Directors' Shareholdings

Directors' interests in the share capital of the Company as at the date of this Prospectus are shown below:

| Director | Ordinary Shares Fully Paid | Options |
|---------------|-------------------------------|-----------|
| J N Pitt | 9,976,666 | - |
| N Tomkinson | 7,968,201 | - |
| P Verbeek | 4,916,664 | 4,000,000 |
| G J Petersons | 726,666 | |

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 17,944,867 ordinary shares (16.04%).

Directors' Remuneration

Details relating to the remuneration of Directors are set out in the Remuneration Report section of the Directors' Report and Note 18 of the Notes to the Financial Statements contained in the Company's 2014 Annual Financial Report lodged with the ASX on 16 September 2014. There have been no changes to the level of Directors' remuneration since that date.

8.2 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of

those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or offer of the securities.

8.3 Consent

BDO Audit (WA) Pty Ltd ("BDO") consents to being named by reference in this Prospectus as the auditor for the Company and to the distribution of paper and electronic versions of the Prospectus. BDO gives this consent on the basis that a statement appears in the Prospectus to the effect that BDO:

- a) has given and not withdrawn their consent to being named in the Prospectus as auditor of the Company as at the date of lodgement of the Prospectus with the Australian Securities and Investments Commission;
- b) has not authorised or caused the issue of the Prospectus or the making of the offers; and
- c) makes no representation regarding and, to the extent permitted by law, excludes any responsibility for any statements in or omissions from any part of the Prospectus or Supplementary Prospectus.

8.4 Substantial Shareholders

As at the date of this Prospectus the following substantial shareholdings have been notified to the Company:

| Name | Shares Held | % of Issued Capital |
|--|-------------|---------------------|
| Tattersfield Group | 20,114,965 | 17.98% |
| Perth Capital Pty Ltd and Elohpool Pty Ltd | 17,944,867 | 16.04% |
| WMG Yovich | 6,115,908 | 5.47% |

8.5 Rights Attaching To Shares

Details of the rights attaching to the Company's shares are set out in Note 13 of the Notes to the Financial Statements in the Company's 2014 Annual Financial Report lodged with the ASX on 16 September 2014, and in the Constitution of the Company, a copy of which can be inspected at the Company's registered office at Suite 2, Ground Floor, 43 Ventnor Avenue, West Perth during normal business hours.

8.6 Corporate Governance

The Company has adopted comprehensive corporate governance policies. These policies are set out in the Company's 2014 Annual Report.

SECTION 9 – DIRECTORS' RESPONSIBILITY STATEMENT AND CONSENTS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that no statements made by the Directors in this Prospectus are misleading or deceptive and that, in respect of any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or, to the Directors knowledge, are not likely to withdraw such consent before any issue of New Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed in accordance with a resolution of the Directors.



N Tomkinson
Chairman

Dated 22 July 2015

SECTION 10 - GLOSSARY OF DEFINED TERMS

"Additional Shares" means New Shares applied for under the Shortfall Facility;

"ASIC" means the Australian Securities and Investments Commission;

"ASTC" means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532;

"ASX" means ASX Limited as operator of the Australian Securities Exchange;

"Board" means the Board of Directors of the Company;

"Business Day" means Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that the ASX declares is not a business day;

"CHESS" means the ASX's Clearing House Electronic Sub Register System;

"Closing Date" means 5.00pm WST on 13 August 2015 or such other date as may apply under terms hereof;

"Company" or **"Traka"** means Traka Resources Limited ABN 63 103 323 173;

"Corporations Act" means the Corporations Act 2001 (Cth) as amended from time to time;

"Directors" means the directors of the Company;

"Director Linked Entities" means entities associated with two of the Company's Directors, Mr Neil Tomkinson and Mr Joshua Pitt, which constitute the substantial shareholders of the Company;

"Entitlement" means the entitlement of an Existing Shareholder to apply for New Shares under the Entitlement Offer;

"Entitlement Offer" or **"Offer"** means the non-renounceable pro-rata issue pursuant to this Prospectus, of up to 111,848,198 New Shares on the basis of one New Share for every one Share held on the Record Date, at an issue price of 1.5 cents per New Share, to raise up to \$1,677,723 before expenses of the Issue;

"Entitlement and Acceptance Form" or **"Form"** means the personalised Entitlement and Acceptance Form accompanying this Prospectus;

"Ex Date" means 28 July 2015 being the date from which Shares trade without the Entitlement;

"Existing Shareholder" means a shareholder of the Company whose details appear on the Company's register of shareholders at the Record Date;

"Eligible Shareholder" means an Existing Shareholder who is entitled to participate in the Entitlement Offer under the Listing Rules or other ASX requirements;

"Expiry Date" is the date 13 months after the date of this Prospectus;

"Issue" means the issue of New Shares pursuant to this Prospectus;

"Listing Rules" means the Listing Rules of ASX;

"Lodgement Date" means the date of lodgement of the Prospectus with ASIC – that is 22 July 2015;

"New Shares" means the Shares to be issued pursuant to this Prospectus;

"Offer" means the offer of New Shares pursuant to this Prospectus;

"Official Quotation" means official quotation by ASX in accordance with the Listing Rules;

"Opening Date" means 10.00am WST on 4 August 2015 or such other date as may apply under the terms hereof;

"Prospectus" means this prospectus dated 22 July 2015;

"Record Date" means 5.00pm WST on 30 July 2015;

"Share Registry" means Computershare Investor Services Pty Limited;

"Section" means a section of this Prospectus;

"Share" means a fully paid ordinary share in the capital of the Company;

"Shareholder" means a holder of ordinary shares in Traka;

"Shortfall" means the New Shares forming Entitlements, or parts of Entitlements, not accepted by Existing Shareholders;

"Shortfall Facility" means the facility to apply for Additional Shares to be issued from the Shortfall;

"WST" means Australian Western Standard Time;

"Yallalong Project" means the Yallalong exploration project;

"\$" means Australian dollars unless otherwise stated.