



Traka Resources Limited

ABN: 63 103 323 173

15 October 2015

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

2015 Annual Report

Attached is a copy of the Traka Resources Limited 2015 Annual Report.

Yours faithfully

P C Ruttledge
Company Secretary



Annual Report 2015

Traka Resources Limited

ABN 63 103 323 173



Traka Resources Limited

Annual Report 2015

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Corporate Directory

Directors

Neil Tomkinson LLB, (Hons) Non-Executive Chairman
Patrick Verbeek BSc, MAusIMM, Managing Director
George Petersons, Non-Executive Director
Joshua Pitt BSc, MAusIMM, MAIG, Non-Executive Director

Company Secretary

Peter Rutledge BSc, CA, FFin

Principal and Registered Office

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Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
PO Box 700 West Perth WA 6872

Share Register

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
PERTH WA 6000
Telephone (08) 9323 2000
Facsimile (08) 9323 2033

Stock Exchange Listing

Traka Resources Limited (TKL) shares are listed on the
Australian Securities Exchange

Managing Director's Report



A recent joint venture transaction securing Traka an entry into the exciting Yallalong Antimony Project and a successful capital raising see the Company busy and preparing for drill programs on two of its three projects (Figure 1). This gratifying pick-up in exploration activity on two drill-ready targets is a welcome change in a year that has otherwise been frustrated by access delays, a shortage of funds and a resource industry in severe downturn. I truly hope that the patience and persistence shown by the Company's shareholders through these difficult times is rewarded with good results. The Yallalong Antimony Project will be drilled within the next few months, followed soon after by the Mt Short Base Metals Project.

The Yallalong Antimony Project and the Mt Short Base Metals Project present relatively short-term opportunities whereas our interests in our third project, the Musgraves, has now changed to be a longer term opportunity. Traka's holdings in the Musgraves remain very substantial and offer some tantalising opportunities, but the next phase of activity has been delayed pending the successful introduction of a joint venture funding party and overcoming the problems associated with securing access.

Below is a brief update and description of each of the three projects currently the focus of the Company's attention.



Figure 1. Project location plan

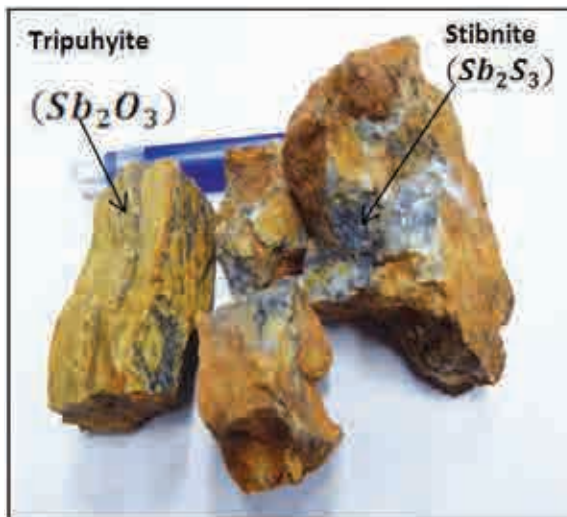


Figure 2. Samples of antimony (Sb) Mineralisation from Yallalong

The Yallalong Antimony Project

In July 2015 the Company reached agreement with a prospecting syndicate giving Traka the opportunity to earn majority equity in the exciting new Yallalong antimony project. The prospecting syndicate had earlier collected very high grade rock-chip samples of antimony mineralisation in quartz veins (Figure 2). Our appraisal of the geological setting was positive, revealing many kilometres of prospective host rock, and we concluded that there is the potential for this project to host a significant discovery.

The project straddles the very large regional scale Darling Fault, defining the western margin of the Yilgarn Craton, and is hosted in Proterozoic aged sedimentary rocks of the abutting Yallalong Sedimentary Basin (Figure 3). This coincidence of large scale structures and sedimentary host rocks is the classic geological setting for the majority of significant scale antimony resources in the world. Antimony mineralisation in this geological setting is of hydrothermal origin with the structures associated with faulting acting as conduits for mineral bearing

solutions coming from depth. The mineralisation is subsequently precipitated into structural trap sites and/or particular sedimentary horizons.

The project consists of four tenements covering a substantial strike length of the prospective rocks that sit adjacent to the Darling Fault, although the initial exploration focus will be the 3 kilometre long zone that covers the discovery area. The discovery area is poorly outcropping with occasional quartz veins that carry the antimony mineralisation. Extensive additional geochemical soil sampling programs have been initiated to aid in the planned additional drilling. The first batch of geochemical samples have recently been received and confirm strong antimony anomalism, but it will take another few weeks before this work program is complete and its results can be fully evaluated. The antimony mineralisation is associated with anomalous copper, lead, zinc, gold and silver anomalism. The association of other metals with antimony mineralisation is typical for this style of mineralisation and gold in particular

is sometimes a very significant component of antimony project economics.

All the required permitting for the planned drill program is in place so drilling should be able to proceed promptly once the geochemical results are fully evaluated.

Yallalong is very favourably situated with respect to infrastructure should we be successful with this project. It is about 220 kilometres from the port of Geraldton with good roads and is on flat lying pastoral lease country. Power and water sources are unlikely to present particular issues. It is obviously too early to predict the outcomes of exploration activity but a successful discovery could reasonably be expected to lead to an operation that produces a concentrate using established float cell technology.

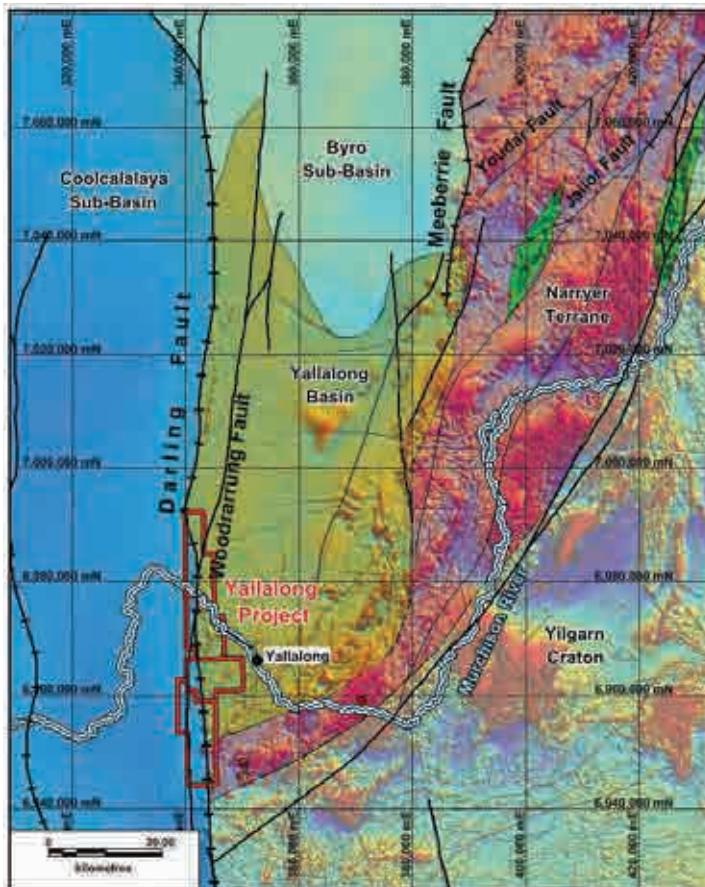


Figure 3. Aeromagnetic image over the Yallalong region showing the principal geological features

Antimony as a commodity is in demand and essential for many mature secondary industries. In recent years it has become a strategic mineral because of the high risk of supply shortage. Antimony has been trading in a price range between that of copper and nickel. Currently antimony is about US\$6,500 per tonne whereas copper is around US\$5,000 per tonne and nickel about \$10,000 per tonne. China has always been the traditional and dominant source of antimony but now is itself sourcing its antimony ore and concentrate from external sources. China's own mines are old and depleted and there is increasing internal pressure from the

Central Government for many of these operations to address their poor environmental legacy issues.

Traka's entry into the antimony space is of course a calculated strategy to exploit the fundamentals of good project geology, good location and a niche commodity with price upside potential. Yallalong is a great short term leverage opportunity for the company which can be drilled within the Company's existing cash reserves. Taking on this greenfields project is consistent with your board's view that the best value-adding stage of project development occurs at the first point of this drilling.

The Mt Short Base Metal Project at Ravensthorpe

Traka's interest in the Mt Short Base Metal Project goes back many years, but it was only in December 2014 that the Company regained 100% ownership and management. Previous joint ventures, which included a much larger portion of Traka's former holdings in the Ravensthorpe area, unfortunately resulted in many years of stagnant exploration activity despite the identified prospectivity and existence of drill targets.

Now that Traka has regained full ownership, we have prepared a drill program that is ready for implementation as soon as crop harvesting over the target areas is completed. The prospective drill targets occur over 8 kilometres of strike length that extends over a number of farming properties. Harvesting is usually complete by mid-December.

The interest in Mt Short stems from the fact that

Traka identified lead, zinc and copper mineralisation extending over an 8 kilometre long zone of volcanic and sedimentary rocks that occur on the northern margin of the Ravensthorpe Greenstone Belt (Figure 4). This rock sequence is poorly exposed but well defined by a linear aeromagnetic ridge with coincident anomalous geochemistry. An electromagnetic ("EM") program over this target sequence highlighted six conductors (MS1 to MS6) suggestive of the presence of massive and/or stringer sulphides. The geological setting, geochemistry and EM results are all strong indicators of the presence of a volcanogenic massive sulphide ("VMS") style of mineralisation.

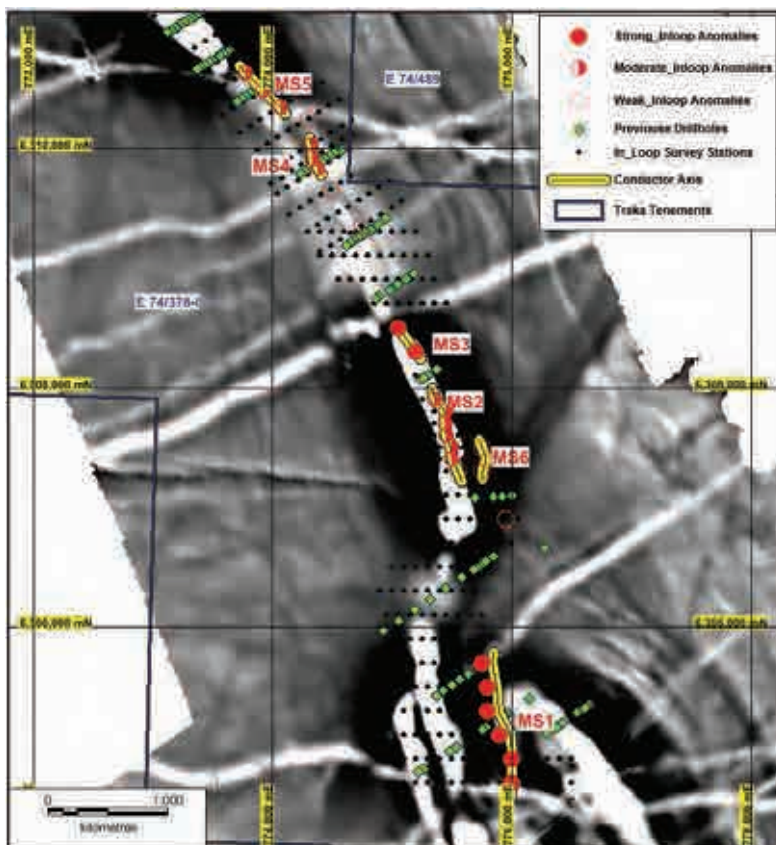


Figure 4. Aeromagnetic image of MS showing the position of previous drilling EM targets

Subsequent wide spaced reconnaissance level RC and diamond drilling on the MS5 target confirmed the presence of a large supergene blanket of lead and zinc mineralisation in the oxide zone. A diamond drill hole (RMSD20) into the fresh rock below the supergene blanket confirmed the presence of steeply northeast dipping sedimentary and volcanic rocks with stratabound primary lead and zinc sulphide mineralisation within a 50 metre wide rock sequence. The best single intersection within this sequence was 5 metres grading 2.38% Zn and

0.66% Pb but lower levels of mineralisation extend over the entire width. Single drill holes into the MS4 and MS3 targets highlighted a similar geological setting to that of the MS5 target with strongly anomalous lead, zinc and copper mineralisation. Subsequent downhole EM surveys of the drill holes on MS5 and MS4 indicated that the stronger centre of sulphide mineralisation could be anticipated to strengthen below and south of the drill holes. The downhole EM anomalies at MS4 and MS5 require follow-up drill testing whereas the MS2, MS4 and MS6 are ready for initial drilling.

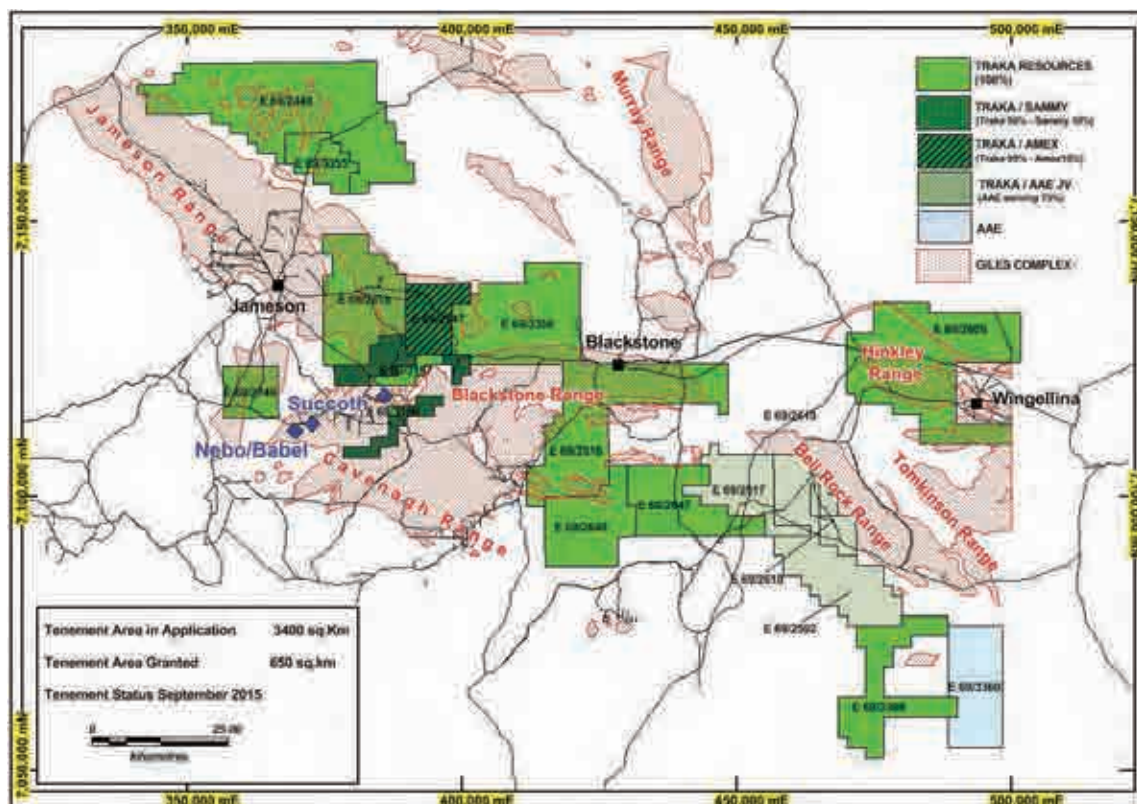


Figure 5. Musgrave Project tenement and joint venture interests

The Musgrave Project

Traka's interest in the Musgrave Project remains very significant, but over the year has reduced in size as a consequence of the completion of exploration programs as well as an inability to obtain reasonable access terms into new prospective areas (Figure 5).

In the Jameson area Traka's tenements are near the very significant copper and nickel resources of Babel, Nebo and Succoth (Figure 6). Cassini Resources Limited ("Cassini") purchased these prospects from BHP Billiton last year and, following

data review and drilling, has recently released encouraging results of a Scoping Study as well as the location of new stringer sulphide targets at Succoth - for example Drill hole CZD0007 59.6 metres grading 0.73% Cu. Further positive results from Cassini may have a significant impact on Traka's fortunes given the proximity and shared geological setting for mineralization. A large northeast trending mineralised structure appears to host the Babel, Nebo and Succoth discoveries and this structure partly passes through Traka's tenements.

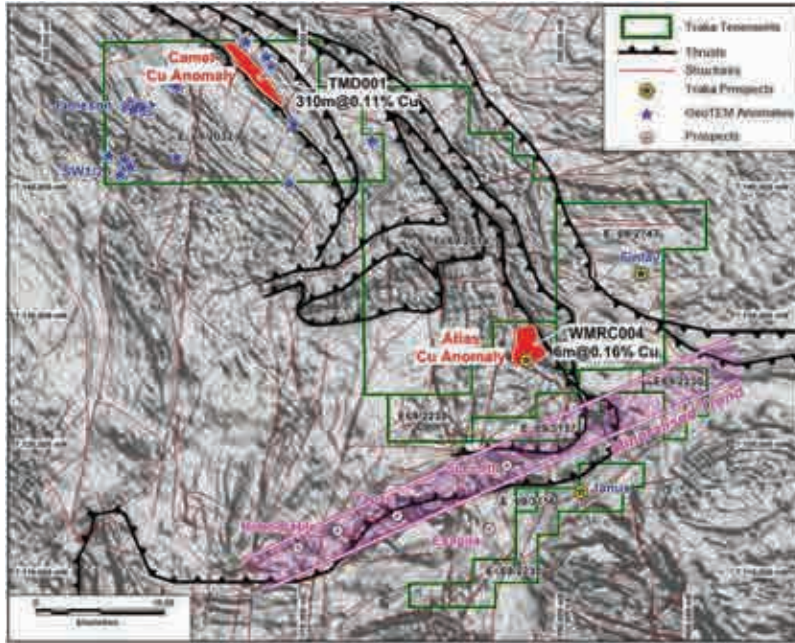


Figure 6. Aeromagnetic image showing prospect positions and the north east trending mineralised structure

In the Latitude Hill area, where we are yet to gain land access, our joint venture partner Anglo American Exploration (Australia) Pty Ltd ("AAE"), has highlighted a number of exciting airborne electromagnetic targets ("Spectrem" targets).

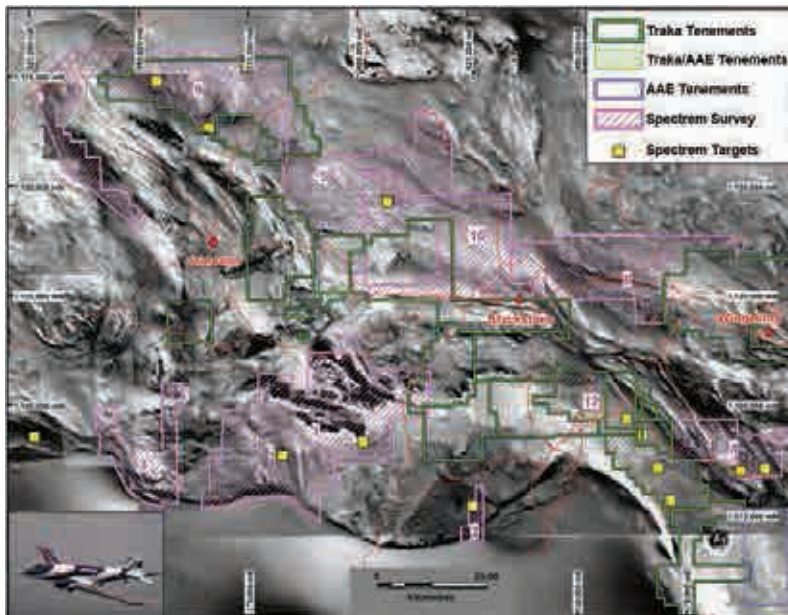


Figure 7. Aeromagnetic image showing Spectrem targets

The Spectrem targets (Figure 7) are considered to reflect the presence of fairly shallow conductors indicative of the presence of massive sulphides. These targets represent opportunities for a walk-up drilling program with only minimal ground EM work required beforehand to assist modelling and design of the actual drill program. It will not be necessary to undertake any other exploration work to test these targets.

Traka is seeking to negotiate the amalgamation of all the Anglo Spectrem targets with Traka's own tenement holdings with a view to securing a new funding joint venture participant to advance the project.

JORC Compliance Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Reserves or Ore Reserves is based on information compiled by Mr P Verbeek a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of the Company. Mr Verbeek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Reserves and Ore Reserves'. Mr Verbeek confirms to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Campsite



Yallalong Prospector



Antimony mineralisation on the surface



Exploration site

Directors' Report

For the year ended 30 June 2015

Your Directors present their report on Traka Resources Limited ("Traka" or the "Company") for the year ended 30 June 2015.

DIRECTORS

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Neil Tomkinson
Patrick Verbeek
George Petersons
Joshua Pitt

PRINCIPAL ACTIVITIES

During the year the principal activity of the Company was exploration of Traka's mineral tenements.

DIVIDENDS

No dividends were paid during the year and the directors do not recommend the payment of a dividend.

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

The Company's exploration interests have recently focused on the acquisition of a third project called Yallalong but the longer standing Musgraves and Ravensthorpe remain active. The former Ashburton and Dalgaranga Project areas have been relinquished earlier in the year as they would have required more early stage exploration activity and expense before drilling could be initiated.

A brief description of each of the three active exploration projects follows:

The Yallalong Antimony Project

Traka has an opportunity to earn up to 80% equity in this new project. The attraction to this project was the presence of very high grade antimony mineralisation in rock-chip samples, the opportunity to advance the project early in the evaluation process by drilling and its excellent location with respect to infrastructure. Yallalong is located about 220 kilometres north-east of the port of Geraldton on lease hold pastoral land.

The antimony mineralisation at Yallalong is hosted in a quartz veined shear zone within sedimentary and mafic rocks. The shear zone forms part of the Darling Fault which is the major structure forming the western boundary of the Archean aged Yilgarn Craton. The coincidence of a major structure and sedimentary rocks is a typical setting for antimony mineralisation.

The Yallalong project comprises 4 tenements covering about 30 kilometres of prospective strike along the Darling Fault. Geochemical surveys are underway and drilling is planned within the next few months.

Directors' Report

For the year ended 30 June 2015

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (continued)

The Musgrave Project

The Company continues to maintain a very substantial exploration portfolio in the Musgrave area although some scaling back of this portfolio to core tenements has occurred. A ground electromagnetic ("EM") survey was completed on the granted Jameson area tenements, otherwise the lengthy delays in gaining access into the un-granted new exploration areas has prevented further activity. Ongoing attempts to gain access is underway but in the meantime the focus remains in the Jameson area where Traka's interests border the drilling program under way to test the Succoth target and the Babel and Nebo copper and nickel resources held by Cassini Resources Ltd. A key structure controlling the mineralisation on Succoth, Babel and Nebo appears to partially pass through Traka's tenement holdings. Success by Cassini could have an important bearing on Traka's ongoing activity in this area.

The Ravensthorpe Project

During the year the Company's Ravensthorpe Project holdings have reduced to a 20% free carry joint venture interests with Silver Lake Resources Ltd at the Bandalup Gossan area, a 20% Free Carry interests with Galaxy Resources Ltd at Cattlin Creek and the company's wholly owned interests at Mt Short.

The Mt Short Base Metals Project is scheduled for drilling in the coming summer period when the harvest has been completed. The drill targets are a number of EM conductors on an 8 kilometre long coincident zone of aeromagnetic and geochemical anomalism. Previous reconnaissance drilling on part of the zone has highlighted lead, zinc and copper mineralisation characteristic of volcanogenic massive sulphide ("VMS") deposits.

Corporate

The Company continues to evaluate new opportunities and believes the poor market conditions may provide more opportunities to accelerate activity for the Company. The recent acquisition of the Yallalong Project is one successful example of this objective.

In order to have working capital for exploration programs on Yallalong and Ravensthorpe, the Company recently undertook a successful 1 for 1 non-renounceable entitlement offer at 1.5 cents per share. The shortfall from this issue is available to be placed with sophisticated investors over the next three month period.

The Company made a net loss for the financial year of \$814,156 (2014: \$448,469).

Emphasis of Matter

Refer to the Independent Auditor's Report for their emphasis of matter regarding going concern, with further details provided in Note 24(a).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the operating results, there were no significant changes in the state of affairs of the Company during the year.

Directors' Report

For the year ended 30 June 2015

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 22 July 2015 the Company announced a non-renounceable 1 for 1 entitlement offer of fully paid ordinary shares at a price of 1.5 cents each. The purpose of the offer was to fund exploration and evaluation arising from the Company's agreement, finalised after the year end, to earn into the Yallalong Project as well as ongoing exploration of existing exploration projects, evaluation of new projects and to meet ongoing administration and operating costs of the Company. The offer, which closed on 13 August 2015, raised \$941,366 before expenses with entitlement acceptances and shortfall applications of 56% totalling 62,757,733 ordinary shares.

Other than the matter noted above, there are no other matters or circumstances which have arisen since the end of the financial year which have significantly affected the operations of the Company nor are there any such matters or circumstances or any likely developments which, in the opinion of the directors, may affect the future results of those operations or the state of affairs of the Company.

ENVIRONMENTAL REGULATION

The Company is subject to and compliant with all aspects of environmental regulation of its exploration activities. The directors are not aware of any environmental law that is not being complied with. The National Greenhouse and Energy Reporting Act 2007 requires entities to report annual greenhouse gas emission and energy use. The directors have assessed that there are no current reporting requirements, but that the Company may be required to report in the future.

INFORMATION RELATING TO DIRECTORS

Chairman – Non Executive

Neil Tomkinson LLB (Hons)

Mr Tomkinson has considerable experience extending over the last thirty five years in the administration of and investment in exploration and mining companies and is an investor in private mineral exploration and in resources in general in Australia. He is the executive chairman of Red Hill Iron Limited (appointed chairman April 2008) and a non-executive director of Hampton Hill Mining NL (appointed January 1997). He was non-executive chairman of Pan Pacific Petroleum NL until his resignation as a director in August 2014.

Managing Director

Patrick Verbeek BSc, MAusIMM

Mr Verbeek is a geologist with thirty years' experience in the resource industry in Australia and internationally. Mr Verbeek's experience is wide ranging and is spread equally between mineral exploration and mining, company management and corporate activity. Mr Verbeek has held a number of senior management positions in exploration and mining operations both in open-pit and underground gold and base metal operations as well as executive directorships in private and public resource companies. Mr Verbeek is a founding director of Traka. Mr Verbeek has held no other directorships of ASX listed companies during the last three years.

Directors' Report

For the year ended 30 June 2015

INFORMATION RELATING TO DIRECTORS (continued)

Non Executive Directors

Joshua Pitt BSc, MAusIMM, MAIG

Mr Pitt is a geologist with substantial exploration experience who has, for more than thirty five years, been a director of exploration and mining companies in Australia. Mr Pitt is involved in substantial private mineral exploration and also in resource investments. He is the executive chairman of Hampton Hill Mining NL (appointed a director in January 1997 and chairman in April 2012) and a non-executive director of Red Metal Limited (appointed July 2003) and Red Hill Iron Limited (appointed June 2005). He was a non-executive director of Pan Pacific Petroleum NL until his resignation in August 2014.

George Petersons

Mr Petersons is an experienced prospector with a long history of identifying and acquiring prospective exploration ground. He is a founding director of Traka. He has established himself as a consultant to the industry with local and offshore mining interests in precious metals, gemstones and base metals. Mr Petersons is Managing Director of Mekong Mining Limited (Thailand), a company involved in exploration and project development in South East Asia.

INFORMATION RELATING TO THE COMPANY SECRETARY

Peter Rutledge BSc, CA, FFin

Mr Rutledge is a Chartered Accountant and a Fellow of the Financial Services Institute of Australasia and has over thirty years' experience as company secretary of a number of listed mining and exploration companies.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The numbers of shares and options in the Company held directly and indirectly by the directors as at the date of this report are as follows:

Director	Ordinary shares	Options over ordinary shares
N Tomkinson	7,968,201	-
P A Verbeek	4,916,664	4,000,000
J N Pitt	9,976,666	-
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 shares.

Directors' Report

For the year ended 30 June 2015

MEETINGS OF DIRECTORS

The number of meetings of directors held during the year and the number attended by each of the directors were as follows:

Director	Meetings of directors	Meetings attended
N Tomkinson	8	8
P A Verbeek	8	8
J N Pitt	8	8
G J Petersons	8	8

The Company does not have any subcommittees.

AUDITED REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by Section 308 (3C) of the Corporations Act 2001.

(a) Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration policy is to ensure that:

- remuneration packages properly reflect the duties and responsibilities of the persons concerned,
- remuneration is competitive in attracting, retaining and motivating people of the highest quality, and
- remuneration is reviewed by the board on an annual basis having regard to performance and market competitiveness.

The remuneration framework has regard to shareholders' interests by:

- focusing on sustained growth in share price, as well as focusing the executives on key non-financial drivers of value, and
- attracting and retaining high calibre executives.

The remuneration framework has regard to executives' interests by:

- rewarding capability and experience,
- reflecting competitive reward for contributions in shareholder growth,
- providing a clear structure for earning rewards, and
- recognising contribution.

The remuneration policy is not linked to the Company's performance and is linked to shareholder wealth only in so far as options over the Company's shares are included in remuneration.

Directors' Report

For the year ended 30 June 2015

AUDITED REMUNERATION REPORT (continued)

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees are reviewed annually and remuneration packages are determined by the board within the maximum amount approved by shareholders from time to time (currently \$100,000 set in 2003) and are set fee amounts with prescribed superannuation, if applicable.

Executives

The remuneration of the managing director, Mr Patrick Verbeek, is determined by the board and comprises an agreed fee paid to Malahang Pty Ltd, a company associated with the managing director, and from time to time, at the discretion of the non-executive board members and with the approval of shareholders, the grant of options to acquire shares in the Company. The non-executive directors review terms of the managing director's remuneration on an annual basis. The nature and amount of remuneration paid to the managing director has been determined by reference to the services provided, experience, length of service and prevailing market rates. There are no guaranteed salary increases fixed in the managing director's contract.

Company Performance

It is not possible at this time to evaluate the Company's financial performance using generally accepted measures such as profitability and total shareholder return as the Company is an exploration company with no significant revenue stream. This assessment will be developed as and when the Company moves from explorer to producer.

The table below shows the gross revenue, losses and loss per share for the last five years for the Company:

		2015	2014	2013	2012	2011
Revenue and other income	(\$000)	224	208	519	313	208
Net loss	(\$000)	814	448	690	1,562	2,438
Loss per share	(cents)	0.73	0.43	0.78	2.26	3.89
Share price at year end	(cents)	1.6	3.2	6	5	18

Directors' Report

For the year ended 30 June 2015

AUDITED REMUNERATION REPORT (continued)

(b) Details of remuneration

The key management personnel of the Company are the directors. There are no other key management personnel. The remuneration of key management personnel for the year is summarised below:

		Short term benefits	Post employment benefits	Share based payments	Other long term benefits	Total
	Year	Salary & fees	Superannuation	Options	Annual and long service leave	
		\$	\$	\$	\$	\$
Non-executive directors						
N Tomkinson	2015	21,900	-	-	-	21,900
	2014	21,850	-	-	-	21,850
J N Pitt	2015	20,000	1,900	-	-	21,900
	2014	20,000	1,850	-	-	21,850
G J Petersons	2015	20,000	1,900	-	-	21,900
	2014	20,000	1,850	-	-	21,850
Managing Director						
P A Verbeek	2015	277,000	-	21,500	-	298,500
	2014	277,000	-	82,250	-	359,250
Total	2015	338,900	3,800	21,500	-	364,200
	2014	338,850	3,700	82,250	-	424,800

No part of the remuneration of key management personnel is performance related.

No part of the remuneration of key management personnel is contingent upon the performance of the Company.

(c) Service agreements

Managing Director

The Company entered into a consultancy agreement with Malahang Pty Ltd ("Malahang") on 14 October 2003 ("Malahang Agreement"). In accordance with the terms of the Malahang Agreement, Malahang agreed to provide the services of its employee, Patrick Verbeek, to undertake all functions, duties, roles and authorities which the Company would require of a person engaged as managing director of the Company on a full time basis. The Malahang Agreement commenced on 20 November 2003 with an initial term of 2 years and has been extended since for further terms of 1 or 2 years. The current term expires in November 2016. The current level of remuneration in terms of this agreement is set at \$250,000 per annum, plus \$27,000 per annum compensation for the provision of a four-wheel-drive motor vehicle. There are no termination arrangements in respect of Mr Verbeek's engagement other than the expectation that Malahang would receive 3 months' fees in the event of his services being terminated by the Company.

Directors' Report

For the year ended 30 June 2015

AUDITED REMUNERATION REPORT (continued)

(d) Share based compensation

Directors and other key management personnel are entitled to take part in the Traka Resources Employee Share Option Plan. Share based payments are made at the discretion of the board of directors in the context of the overall remuneration package of the personnel. Directors receiving share based payments are not involved in any board discussions regarding their remuneration.

Share based payments are generally provided in the form of options vesting immediately. The issue of these options is not linked to past company performance since their principal purpose is to promote additional incentive to the key management personnel. There is no specific board policy restricting employees from taking action to limit their exposure to risk in relation to share based payments. Nevertheless, in terms of the Company's corporate governance policies, all employees are prohibited from dealing in the Company's securities when they possess inside information and they are obliged to inform the board of any proposed transactions in securities.

The basic terms and conditions of each grant of options affecting remuneration in the previous, current or future reporting periods are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price	Value per option at grant date
17 November 2010	17 November 2010	17 November 2013	\$0.2125	\$0.0978
16 November 2011	16 November 2011	15 November 2014	\$0.20625	\$0.0970
18 November 2013	18 November 2013	17 November 2016	\$0.0875	\$0.0411
10 March 2015	10 March 2015	9 March 2018	\$0.0256	\$0.0108

Each option is convertible into one ordinary share.

Options granted under the plan carry no dividend or voting rights.

Details of the options in the Company provided as remuneration to key management personnel of the Company are set out below. Further information on options is set out in Note 20 to the financial statements.

	Balance at beginning of year	Received as remuneration	Options expired	Balance at end of year
N Tomkinson	-	-	-	-
P A Verbeek	3,000,000	2,000,000	(1,000,000)	4,000,000
J N Pitt	-	-	-	-
G J Petersons	-	-	-	-

The assessed fair value of the options issued in the current year was calculated as at the date of grant using the Black-Scholes model for the valuation of call options.

Directors' Report

For the year ended 30 June 2015

AUDITED REMUNERATION REPORT (continued)

The model inputs for options granted to key management personnel during the period included:

	2015	2014
No. of options	2,000,000	2,000,000
Grant date	10 March 2015	18 November 2013
Exercise by	9 March 2018	17 November 2016
Exercise price per share	2.56 cents	8.75 cents
Expected average life of the options	3 years	3 years
Underlying security spot price at time of grant	1.9 cents	7 cents
Risk free interest rate	1.96%	3.03%
Expected volatility	100%	100%
Value of options at grant date	\$21,500	\$82,250

Historical volatility has been the basis for estimating likely future share price volatility. Actual future volatility may differ from the estimate used. The expected average life of the options has been estimated as 3 years. The actual life could differ from this estimate if the holder of the options chooses to exercise his options prior to their expiry date.

(e) Equity held by key management personnel

The numbers of shares in the Company held directly and indirectly by key management personnel and any movements over the year, are set out below.

	Balance at beginning of year	Received as remuneration	Options exercised	Net changes	Balance at end of year
N Tomkinson	7,968,201	-	-	-	7,968,201
P A Verbeek	4,916,664	-	-	-	4,916,664
J N Pitt	9,976,666	-	-	-	9,976,666
G J Petersons	726,666	-	-	-	726,666

Net changes relate to shares acquired or sold during the year. No shares are held nominally.

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

Directors' Report

For the year ended 30 June 2015

AUDITED REMUNERATION REPORT (continued)

(f) Additional information

Voting and comments at the Company's 2014 Annual General Meeting (AGM)

The Company received a majority of votes in favour of its remuneration report for the 2014 financial year. The Company did not receive any specific comments on its remuneration practices at the AGM or throughout that year.

Transactions with key management personnel

During the financial year the Company paid \$812 (2014: \$781) to Hampton Hill Mining NL, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for staff amenities paid for on normal commercial terms and conditions determined on an arms-length basis between the companies.

During the financial year the Company paid \$290 (2014: nil) to Red Hill Iron Ltd, a listed company of which Mr Tomkinson and Mr Pitt are directors and shareholders, for recharged expenses paid by that company on normal commercial terms and conditions.

The Company has not made any loans to key management personnel during the year.

There were no other transactions with key management personnel and related parties during the year other than those reported in Note 17.

The Company has not engaged remuneration consultants to make a remuneration recommendation in respect of any of the key management personnel.

The audited remuneration report ends here.

SHARES UNDER OPTION

The numbers of options on issue at the date of this report are as follows:

Grant date	Expiry date	Issue price of shares	Number under option	Percent vested
18 November 2013	17 November 2016	8.75 cents	2,000,000	100%
13 January 2014	17 November 2016	8.75 cents	450,000	100%
6 January 2015	6 January 2018	3.10 cents	450,000	100%
10 March 2015	9 March 2018	2.56 cents	2,000,000	100%

Directors' Report

For the year ended 30 June 2015

INSURANCE OF OFFICERS

During the year the Company paid an amount to insure all current directors of the Company and current executive officers of the Company against liabilities arising out of their conduct whilst acting in the capacity of a director or officer of the Company other than conduct involving a wilful breach of duty to the Company. The policy requires that the amount of premium paid and the limits imposed remain confidential.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not party to any such proceedings during the year.

NON-AUDIT SERVICES

BDO Audit (WA) Pty Ltd ("BDO"), the Company's auditor, did not perform any non-audit services for the Company for the year ended 30 June 2015.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this report. BDO continues in office in accordance with Section 327 of the Corporations Act 2001.

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



NEIL TOMKINSON

Chairman

Dated this 10th day of September 2015

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations	2	14,891	20,477
Other income	2	209,000	188,000
Exploration and evaluation expenditure	4	(556,213)	(29,857)
Administration expenses	3	(481,834)	(627,089)
Loss before income tax		(814,156)	(448,469)
Income tax expense	5	-	-
Loss for the year		(814,156)	(448,469)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year attributable to the ordinary equity holders of the Company		(814,156)	(448,469)
Loss per share attributable to the ordinary equity holders of the Company		Cents	Cents
Basic and diluted loss per share	6	0.73	0.43

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

Statement of Financial Position

As at 30 June 2015

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	7	146,100	899,899
Trade and other receivables	8	16,790	58,832
Total current assets		162,890	958,731
Non-current assets			
Plant and equipment	9	54,547	67,724
Total non-current assets		54,547	67,724
Total assets		217,437	1,026,455
Current liabilities			
Trade and other payables	10	60,459	81,621
Total current liabilities		60,459	81,621
Non-current liabilities			
Provisions	11	2,900	1,650
Total non-current liabilities		2,900	1,650
Total liabilities		63,359	83,271
Net assets		154,078	943,184
Equity			
Issued capital	12	12,572,212	12,572,212
Reserves	13	739,830	714,780
Accumulated losses		(13,157,964)	(12,343,808)
Total equity		154,078	943,184

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

Statement of Changes in Equity

For the year ended 30 June 2015

	Note	Issued capital	Share based payments reserve	Exercised option reserve	Accumulated losses	Total equity
		\$	\$	\$	\$	\$
2015						
As at 1 July 2014		12,572,212	649,980	64,800	(12,343,808)	943,184
Loss for the year		-	-	-	(814,156)	(814,156)
Total comprehensive loss for the year		-	-	-	(814,156)	(814,156)
Transactions with equity holders in their capacity as equity holders:						
Share based payments	20	-	25,050	-	-	25,050
As at 30 June 2015		12,572,212	675,030	64,800	(13,157,964)	154,078
2014						
As at 1 July 2013		11,503,628	556,430	64,800	(11,895,339)	229,519
Loss for the year		-	-	-	(448,469)	(448,469)
Total comprehensive loss for the year		-	-	-	(448,469)	(448,469)
Transactions with equity holders in their capacity as equity holders:						
Issue of ordinary fully paid shares, net of transaction costs		1,068,584	-	-	-	1,068,584
Share based payments	20	-	93,550	-	-	93,550
As at 30 June 2014		12,572,212	649,980	64,800	(12,343,808)	943,184

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

Statement of Cash Flows

For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Interest received		21,594	13,653
Payments to suppliers and employees		(449,035)	(504,879)
Payments for exploration activities		(532,773)	(50,081)
Receipt of exploration expenditure recoveries		84,000	125,500
Receipt of security deposit recovered		-	14,000
Receipt of option fees		125,000	187,500
Net cash outflows from operating activities	14	(751,214)	(214,307)
Cash flows from investing activities			
Payments for plant, equipment and motor vehicle		(2,585)	(1,817)
Net cash outflows from investing activities		(2,585)	(1,817)
Cash flows from financing activities			
Proceeds from share issue		-	1,142,500
Payment for share issue costs		-	(73,916)
Net cash inflows from financing activities		-	1,068,584
Net (decrease)/increase in cash and cash equivalents held		(753,799)	852,460
Cash and cash equivalents at the beginning of the financial year		899,899	47,439
Cash and cash equivalents at the end of the financial year	7	146,100	899,899

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

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 1 SEGMENT INFORMATION

Management has determined that the Company has one reportable operating segment, being mineral exploration within Western Australia. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the members of the board of directors. The Board of Directors monitors the Company based on actual versus budgeted exploration expenditure. This internal reporting framework is the most relevant to assist the Board with making decisions regarding its ongoing exploration activities.

	2015	2014
	\$	\$
Reportable segment assets	54,547	67,724
Reportable segment liabilities	25,912	27,420
Reconciliation of reportable segment liabilities:		
Reportable segment liabilities	25,912	27,420
Unallocated corporate liabilities	37,447	55,851
Total liabilities	63,359	83,271
Reportable segment (loss)/profit	(347,213)	157,643
Reconciliation of reportable segment (loss)/profit:		
Reportable segment (loss)/profit	(347,213)	157,643
Other revenue	14,891	20,977
Unallocated corporate expenses	(481,834)	(627,089)
Loss before tax	(814,156)	(448,469)

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 2 REVENUE AND OTHER INCOME

	2015	2014
	\$	\$
Revenue from continuing operations		
Interest received	14,891	20,477
Other income		
Option fee income	125,000	187,500
Reimbursement of expenditure commitments	84,000	-
Other	-	500
	209,000	188,000

Revenue is measured at the fair value of the consideration received or receivable.

Interest income is brought to account as income over the term of each financial instrument on an effective interest rate basis. Other revenue is recognised as it accrues.

NOTE 3 ADMINISTRATION EXPENSES

Loss before income tax includes the following specific administration expenses:

Personnel expenses

Salaries, directors' fees and management fee	474,052	485,935
Superannuation	16,308	17,074
Share based payments	25,050	93,550
Less: Disclosed as exploration expenditure	(288,101)	(260,231)

227,309 336,328

Depreciation

15,762 17,009

Other expenses

Rental and rates (office, storage, parking)	56,430	63,370
Company secretarial and accounting	68,042	70,813
Audit	26,921	33,010
Communications	15,060	15,076
Listing fees	15,776	15,851
Other	56,534	75,632

481,834 627,089

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 4 EXPLORATION AND EVALUATION EXPENDITURE

	2015	2014
	\$	\$
Exploration and evaluation expenditure incurred	569,232	461,999
Less: Recovered from third parties	(13,019)	(432,142)
	556,213	29,857

Expenditure incurred during exploration and early evaluation stages of areas of interest is written off as incurred.

Where the directors decide to progress to development in an area of interest, all further expenditure incurred relating to the area will be capitalised. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off to profit or loss in the year in which the decision to abandon the area is made. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTE 5 INCOME TAX

	2015	2014
	\$	\$
(a) Income tax expense	-	-
(b) Reconciliation of income tax expense to prima-facie tax payable on accounting loss		
Loss from continuing operations before income tax	(814,156)	(448,469)
Prima facie tax benefit at the Australian tax rate of 30% (2014: 30%)	(244,247)	(134,541)
Tax effect of amounts that are taxable/(deductible) in calculating taxable income:		
Taxable / non-deductible items	9,480	28,080
Non-taxable / deductible items	(13,066)	(13,801)
Over provision in prior year	(2,047)	-
Tax benefits not brought to account	249,880	120,262
Income tax expense	-	-

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 5 INCOME TAX (continued)

The charge for current income tax expenses is based on the loss for the year adjusted for any non-assessable or disallowed items, calculated using tax rates enacted or substantively enacted by the balance date.

(c) Deferred tax assets and liabilities not brought to account	2015	2014
	\$	\$

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end at the Australian corporate tax rate of 30%, are made up as follows:

Carried forward tax losses	3,881,855	3,631,778
Deductible temporary differences	12,456	12,652
Taxable temporary differences	-	-
Unrecognised net deferred tax assets	3,894,311	3,644,430

These benefits will only be obtained if the conditions for deductibility, as set out below, occur.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable comprehensive income.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity or comprehensive income, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The amount of benefits brought to account, or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 6 LOSS PER SHARE

	2015	2014
	cents	cents
Basic and diluted loss per share	0.73	0.43

Reconciliation of loss

The loss used in calculating the basic and diluted loss per share is equal to the loss attributable to ordinary equity holders of the Company in the Statement of Profit or Loss and Other Comprehensive Income

	\$	\$
	814,156	448,469

	No of shares	No of shares
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted loss per share	111,848,198	103,974,928

The weighted average number of ordinary shares used in calculating basic and diluted loss per share is derived from the fully paid ordinary shares on issue.

Basic loss per share is determined by dividing the loss from ordinary activities after income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share adjusts the figures used in determination of basic loss per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year. The diluted loss per share is the same as the basic loss per share on account of the Company's potential ordinary shares (in the form of options) not being dilutive because their conversion to ordinary shares would not increase the loss per share.

NOTE 7 CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Cash at bank and on hand	146,100	899,899

Cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which is readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 23.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 8 TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
Trade receivables	19,325	67,351
less: provision for doubtful debts	(19,325)	(19,325)
Net trade receivables	-	48,026
GST receivable	16,669	3,982
Interest receivable	121	6,824
	16,790	58,832

Interest receivable comprises pro-rata interest receivable at balance sheet date in respect of deposits at call which are expected to be repaid within 90 days.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. Trade receivables amounting to \$19,325 have been impaired as the balance is owed by a company in liquidation. No other trade receivables are considered impaired or past due.

Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 23.

NOTE 9 PLANT AND EQUIPMENT

Field equipment – at cost	88,824	86,239
Accumulated depreciation	(77,355)	(73,689)
Field equipment – carrying amount	11,469	12,550
Office furniture and equipment – at cost	71,929	71,929
Accumulated depreciation	(70,874)	(70,007)
Office furniture and equipment – carrying amount	1,055	1,922
Motor vehicle – at cost	89,835	89,835
Accumulated depreciation	(47,812)	(36,583)
Motor vehicle – carrying amount	42,023	53,252
Total plant and equipment – carrying amount	54,547	67,724

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year is set out below.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 9 PLANT AND EQUIPMENT (continued)

	Field equipment	Office furniture & equipment	Motor vehicle	Total
	\$	\$	\$	\$
2015				
Carrying amount at 1 July 2014	12,550	1,922	53,252	67,724
Additions during the year	2,585	-	-	2,585
Disposals during the year	-	-	-	-
Depreciation expense	(3,666)	(867)	(11,229)	(15,762)
Carrying amount at 30 June 2015	11,469	1,055	42,023	54,547
2014				
Carrying amount at 1 July 2013	25,467	2,355	64,482	92,304
Additions during the year	-	1,817	-	1,817
Disposals during the year	(9,248)	(140)	-	(9,388)
Depreciation expense	(3,669)	(2,110)	(11,230)	(17,009)
Carrying amount at 30 June 2014	12,550	1,922	53,252	67,724

Recognition and measurement

Plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of these assets.

Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost or revalued amount of each item of plant and equipment over its expected useful life to the Company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The depreciation rates used for the current and comparative periods are as follows:

- Plant and equipment: 10% - 20% straight line
- Motor vehicle: 12.5% straight line

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 10 TRADE AND OTHER PAYABLES

	2015	2014
	\$	\$
Trade creditors and accruals	48,009	70,821
Employee entitlements	12,450	10,800
	60,459	81,621

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. The Company's exposure to liquidity risk is disclosed in Note 23.

Employee entitlements include accruals for annual leave. The entire obligation is presented as current since the Company does not have an unconditional right to defer settlement. However it is possible that some employees may not take the full amount of their accrued leave during the next 12 months.

NOTE 11 PROVISIONS

Long service leave	2,900	1,650
Movement in provisions during the financial year, is as follows:		
Carrying amount at beginning of year	1,650	-
Increase in entitlement	1,250	1,650
Carrying amount at end of year	2,900	1,650

The provision for long service leave includes the unconditional entitlement to long service leave where employees have completed the required period of service or are entitled to pro-rata payments in certain circumstances.

The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departure and period of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 12 ISSUED CAPITAL

2015 2014

\$ \$

(a) Share capital

111,848,198 (2014: 111,848,198) fully paid ordinary shares **12,572,212** 12,572,212

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Subsequent to the end of the financial year, the Company issued 62,757,733 ordinary shares as part of a non-renounceable entitlement offer. Refer to Note 18 for details.

The Company's capital risk management policy is set out in Note 23.

(b) Rights attaching to ordinary shares

Ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares being held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. The ordinary fully paid shares are listed on the ASX and carry no trade restrictions.

(c) Movements in ordinary share capital during the past two years

	2015	2014	2015	2014
	Number of shares	Number of shares	Amount	Amount
			\$	\$
At 1 July	111,848,198	92,806,559	12,572,212	11,503,628
Issue of ordinary shares	-	19,041,639	-	1,142,500
Capital raising costs	-	-	-	(73,916)
At 30 June	111,848,198	111,848,198	12,572,212	12,572,212

NOTE 13 RESERVES

2015 2014

\$ \$

Share based payments reserve	675,030	649,980
Exercised option reserve	64,800	64,800
	739,830	714,780

The share based payments reserve is used to recognise the fair value of options issued.

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.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 14 CASH FLOW INFORMATION

	2015	2014
	\$	\$
Reconciliation of operating loss after income tax to net cash used in operating activities:		
Operating loss after income tax	(814,156)	(448,469)
Depreciation	15,762	17,009
Non-cash employee benefit expense	25,050	93,550
Loss on disposal of plant and equipment	-	9,388
Decrease in receivables	42,042	134,405
Decrease in payables and provisions	(19,912)	(20,190)
Net cash outflows from operating activities	<u>(751,214)</u>	<u>(214,307)</u>

There were no non-cash flows from financing and investing activities.

NOTE 15 CONTINGENCIES

There are no contingent liabilities for termination benefits under service agreements with directors or executives at 30 June 2015.

The directors are not aware of any other contingent liabilities at 30 June 2015.

NOTE 16 COMMITMENTS

Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:

Not later than one year	43,860	47,848
Later than one year but not later than five years	-	43,860
Later than five years	-	-
	<u>43,860</u>	<u>91,708</u>
Representing:		
Minimum lease payments in relation to non-cancellable operating leases	<u>43,860</u>	<u>91,708</u>

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payment made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 16 COMMITMENTS (continued)

	2015	2014
	\$	\$
Remuneration commitments		
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities payable:		
Not later than one year	115,417	115,417
Later than one year but not later than five years	-	-
Later than five years	-	-
	115,417	115,417

Exploration commitments

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. This represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined. The current year minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Mines and Petroleum for the next financial year is \$647,000 (2014: nil). The prior year expenditure commitments are nil on account of it being the responsibility of the Company's joint venture partners.

NOTE 17 RELATED PARTY TRANSACTIONS

(a) Key management personnel

Directors of the Company during the financial year were:

Neil Tomkinson

Patrick Verbeek

Joshua Pitt

George Petersons

(b) Key management personnel compensation

	2015	2014
	\$	\$
Short term employee benefits	338,900	338,850
Post-employment benefits	3,800	3,700
Share based payments	21,500	82,250
Other long term benefits	-	-
	364,200	424,800

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' Report.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 17 RELATED PARTY TRANSACTIONS (continued)

(c) Other related party transactions

During the financial year the Company paid \$812 (2014: \$781) to Hampton Hill Mining NL, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for staff amenities paid for on normal commercial terms and conditions determined on an arms-length basis between the companies.

During the financial year the Company paid \$290 (2014: nil) to Red Hill Iron Ltd, a listed company of which Mr Tomkinson and Mr Pitt are directors and shareholders, for recharged expenses paid by that company on normal commercial terms and conditions.

NOTE 18 EVENTS OCCURRING AFTER BALANCE DATE

On 22 July 2015 the Company announced a non-renounceable 1 for 1 entitlement offer of fully paid ordinary shares at a price of 1.5 cents each. The purpose of the offer was to fund exploration and evaluation arising from the Company's recent agreement to earn into the Yallalong Project, ongoing exploration of existing exploration projects, evaluation of new projects and to meet ongoing administration and operating costs of the Company. The offer, which closed on 13 August 2015, raised \$941,366 before expenses with entitlement acceptances and shortfall ordinary shares applications of 56% totalling 62,757,733 ordinary shares.

Other than the matter noted above, there are no other matters or circumstances which have arisen since the end of the financial year which have significantly affected the operations of the Company nor are there any such matters or circumstances or any likely developments which, in the opinion of the directors, may affect the future results of those operations or the state of affairs of the Company.

NOTE 19 INTERESTS IN JOINT VENTURES

Name of project	Interest	Activities	Other parties
Musgrave Project (AAE JV)	49%	Gold and base metal exploration	Anglo American Exploration (Australia) Pty Ltd (Anglo earning up to 75%)
Musgrave Project (Polaris JV)	90%	Gold and base metal exploration	Polaris Metals NL (Polaris 10% free carried)
Musgrave Project (Sammy JV)	90%	Gold and base metal exploration	Sammy Resources Pty Ltd (Sammy 10% free carried)
Musgrave Project (Amex JV)	90%	Gold and base metal exploration	Amex Resources Limited (Amex free carried for first \$1 million)
Ravensthorpe Project (Sirdar JV)	20%	Gold and base metal exploration	Galaxy Resources Limited (Traka 20% free carried to production)
Ravensthorpe Project (Silver Lake Bandalup Gossan JV)	20%	Gold and base metal exploration	Silver Lake Resources Limited

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 19 INTERESTS IN JOINT VENTURES (continued)

The Company's mineral exploration agreements with third parties do not constitute separate legal entities. They are contractual agreements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit.

The agreements are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs in proportion to their ownership of joint venture assets. The parties to the agreement do not hold any assets other than their title to the mineral tenements and accordingly the company's share of exploration expenditure is accounted for in accordance with the policy set out in Note 4.

NOTE 20 SHARE BASED PAYMENTS

The Traka Resources Limited Employee Share Option Plan ("ESOP") was adopted by the Company for the purpose of recognising the efforts of, and providing incentive to, employees of the Company. A summary of terms and conditions of the ESOP is set out below:

- Under the ESOP the Company may offer options to subscribe for shares in the Company to eligible persons. Directors and part-time or full-time employees are eligible persons for the purpose of the ESOP.
- The board of directors has discretion to determine who and to what extent an eligible person is entitled to participate in the ESOP.
- Options under the ESOP are to be offered on such terms as the board determines and the offer must set out the number of options offered, the exercise price and the period of the offer. Exercise price is determined by the board with reference to the market value of the shares of the Company at the time of resolving to offer the options. The period of the offer will be no longer than five years.
- No consideration is payable for the options unless the board determines otherwise and the Company will not apply for quotation of the options.
- The options are exercisable in whole or part, and shares will be issued within 10 business days of the receipt of notice of exercise and payment in full of the exercise price.
- If an option holder ceases to be an eligible person prior to the earliest date for exercise of their options for any other reason than retirement at age 60 or over, permanent disability, redundancy or death, the options will automatically lapse. If an option holder ceases to be an eligible person after the earliest date for exercise of their options for any other reason than retirement at age 60 or over, permanent disability, redundancy or death, the options will lapse after three months.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 20 SHARE BASED PAYMENTS (continued)

Set out below is a summary of the movement of options on issue during the current and prior years:

Grant date	Expiry date	Exercise price	Balance at start of year	Granted	Expired	Balance at end of year
		Cents	Number	Number	Number	Number
2015						
16 Nov 2011	15 Nov 2014	20.625	1,100,000	-	(1,100,000)	-
18 Nov 2013	17 Nov 2016	8.75	2,000,000	-	-	2,000,000
13 Jan 2014	17 Nov 2016	8.75	450,000	-	-	450,000
6 Jan 2015	6 Jan 2018	3.10	-	450,000	-	450,000
10 Mar 2015	9 Mar 2018	2.56	-	2,000,000	-	2,000,000
			3,550,000	2,450,000	(1,100,000)	4,900,000
Weighted average exercise price (cents)			12.43	2.66	20.63	5.70
2014						
17 Nov 2010	17 Nov 2013	21.250	2,650,000	-	(2,650,000)	-
16 Nov 2011	15 Nov 2014	20.625	1,100,000	-	-	1,100,000
18 Nov 2013	17 Nov 2016	8.75	-	2,000,000	-	2,000,000
13 Jan 2014	17 Nov 2016	8.75	-	450,000	-	450,000
			3,750,000	2,450,000	(2,650,000)	3,550,000
Weighted average exercise price (cents)			21.07	8.75	21.25	12.43

The total transactional value of options granted during the year is \$25,050 (2014: \$93,550)

Share based payments to key management personnel can be found in the audited Remuneration Report set out in the Directors' Report.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 20 SHARE BASED PAYMENTS (continued)

The fair value at grant date is independently determined using a Black-Scholes option pricing model.

The model inputs for options granted during the period were:

Grant date	6 Jan 2015	10 Mar 2015
Exercise by	6 Jan 2018	9 Mar 2018
Exercise price per share	3.10 cents	2.56 cents
Expected average life of the options	3 years	3 years
Underlying security spot price at time of grant	1.6 cents	1.9 cents
Risk free interest rate	2.15%	1.96%
Expected volatility	100%	100%
Value of options at grant date	0.7903 cents	1.0761 cents

NOTE 21 AUDITOR REMUNERATION

2015	2014
\$	\$

Amounts received, or due and receivable, by BDO Audit (WA) Pty Ltd for:

Auditing and review of the financial reports of the Company	26,921	33,010
Other services	-	-
Total remuneration	26,921	33,010

NOTE 22 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates — impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The recoverable amount of the asset is the higher of its value-in-use and its fair value less costs to sell. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and fair value less cost to sell is determined using market rates.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 22 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key estimates – share-based payments

Historical volatility was used as the basis for estimating likely future share price volatility. Actual future volatility may differ from the estimate used. The expected average life of the options was estimated at 3 years. The actual life could differ from this estimate if the holder of the options chooses to exercise his options prior to their expiry date. The weighted average remaining contractual life of the options on issue is 2.02 years (2014: 1.76 years).

The fair value of options granted to employees is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

NOTE 23 FINANCIAL RISK MANAGEMENT

The Company, in its normal course of business, is exposed to financial risks comprising liquidity risk, market risk (essentially interest rate risk) and credit risk.

The directors have overall responsibility for the Company's management of these risks and seek to minimise these risks through ongoing monitoring and review of the adequacy of the risk management framework in relation to the risks encountered by the Company.

(a) Liquidity risk

The Company has no significant exposure to liquidity risk as the Company's only debt is that associated with trade creditors in respect of which the Company's policy is to ensure payment within 30 days. The Company manages its liquidity by monitoring forecast cash flows.

(b) Credit risk

The Company's only exposure to credit risk arises from having its cash assets, including security deposits, all deposited at one bank. The Company manages this minimal exposure by ensuring its funds are deposited only with a major Australian bank with high security ratings, currently AA-. The Company manages its minimal exposure to credit risk from its other receivables by ensuring prompt collection of those receivables.

(c) Capital risk management

The Company's objective in managing capital, which consists of equity capital and reserves less accumulated losses to date, is to safeguard its ability to continue as a going concern, so that it can continue to explore for minerals with the ultimate objective of providing returns for shareholders whilst maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets, or farm out joint venture interests in its projects.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 23 FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk

Interest rate risk

The Company's market risk exposure is to Australian money market interest rates in respect of its cash assets. The risk is managed by monitoring the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of its cash assets and the interest rate return.

The weighted average interest rate to which the Company was exposed on its cash assets at the year-end was 1.41% (2014: 3.30%).

The table following summarises the sensitivity of the Company's cash assets to interest rate risk. The Company has no interest rate risk associated with any of its other financial assets or liabilities. This analysis reflects the effect of a 0.5% decline and a 0.5% increase in interest rates as recent Australian Treasury announcements and press reports would indicate movement in interest rates of this magnitude to be possible over the next 12 months.

Financial Assets	Carrying amount of cash assets	Effect of increase or decrease of interest rate on			
		Post tax profit		Equity	
		-0.5%	+0.5%	-0.5%	+0.5%
2015	\$	\$	\$	\$	\$
Cash and cash equivalents	146,100				
Total increase/(decrease)		(731)	731	(731)	731
2014					
Cash and cash equivalents	899,899				
Total increase/(decrease)		(4,500)	4,500	(4,500)	4,500

NOTE 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements that relate specifically to matters dealt with in the preceding notes, are set out in the relevant notes. The more general accounting policies not already set out above, are listed below.

The accounting policies have been consistently applied to all the years presented unless otherwise stated.

Traka Resources Limited is a public company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange ("ASX"). The Company is a for-profit entity for the purposes of applying these standards.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on an accruals basis and under the historical cost convention.

These financial statements have been prepared on an accruals basis and under the historical cost convention.

Going concern

During the year ended 30 June 2015, the Company incurred a net loss of \$814,156 and, at balance date, the Company's current assets exceeded current liabilities by \$102,431.

The financial statements have been prepared on the going concern basis of accounting which assumes that the Company will be able to meet its commitments as and when they fall due. In arriving at this assumption, the directors recognise that the Company is dependent upon funding alternatives to meet these ongoing commitments, including capital raisings, directors' loans and/or the realisation of assets.

In the event that the Company does not achieve the matters as set out above, there is uncertainty that may cast doubt about the Company's ability to continue as a going concern 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.

(b) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any objective evidence that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(c) Financial assets and liabilities

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out in the relevant notes.

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefits obligations

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(e) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis except for the GST components of investing or financing activities, which are presented as operating cash flow.

(f) Accounting standards and interpretations

New accounting standards adopted

New Australian Accounting Standards that are mandatory for the first time in the current financial year have been adopted in the preparation of the financial statements at reporting date, as shown in the table below:

Reference and title	Nature of change to accounting policy and impact on initial application	Application date
Interpretation 21 Levies	Clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. The Company is not liable to pay any government levies so there is no impact on the financial statements.	1 July 2014

Notes to the Financial Statements

For the year ended 30 June 2015

NOTE 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations not yet adopted

The following Australian Accounting Standards have been issued and/or amended and are applicable to the Company but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date. The application date of the standard is for the annual reporting periods beginning on or after the date shown in the table below.

Reference and title	Nature of change to accounting policy and impact on initial application	Application date
AASB 9 Financial Instruments	Amends the requirement for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. The Company does not have any financial assets or liabilities measured at fair value through profit or loss.	1 July 2018
AASB 15 Revenue from contracts with customers	Revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. Due to the recent release of this standard the entity has not yet made a detailed assessment of the impact of this standard.	1 July 2018

Directors' Declaration

For the Year Ended 30 June 2015

The directors of the Company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.
4. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the directors and is signed for and on behalf of the directors by:



NEIL TOMKINSON

Chairman

Dated this 10th day of September 2015



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DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF TRAKA RESOURCES LIMITED

As lead auditor of Traka Resources Limited for the year ended 30 June 2015, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Ian Skelton

Director

BDO Audit (WA) Pty Ltd

Perth, 10 September 2015



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INDEPENDENT AUDITOR'S REPORT

To the members of Traka Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Traka Resources Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 24(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 report.



Opinion

In our opinion:

- (a) the financial report of Traka Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 24(a).

Emphasis of matter

Without modifying our opinion, we draw attention to Note 24(a) in the financial report, which indicates that the ability of the company to continue as a going concern is dependent upon funding alternatives including capital raisings, director loans and/or the realisation of assets. These conditions, along with other matters as set out in Note 24(a), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Traka Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Ian Skelton

Director

Perth, 10 September 2015

Schedule of Tenements

As at 24 September 2015

Tenement	Location	Registered holding	Beneficial interest
E69/2230	Musgrave, WA	90%	90%
EA69/2449	Musgrave, WA	100%	100%
EA69/2592	Musgrave, WA	100%	49%
EA69/2609	Musgrave, WA	100%	100%
EA69/2610	Musgrave, WA	100%	49%
E69/2618	Musgrave, WA	100%	100%
EA69/2647	Musgrave, WA	100%	100%
EA69/2648	Musgrave, WA	100%	100%
E69/2747	Musgrave, WA	90%	90%
EA69/2749	Musgrave, WA	100%	100%
EA69/2816	Musgrave, WA	100%	100%
EA69/2817	Musgrave, WA	100%	49%
EA69/3156	Musgrave, WA	100%	100%
EA69/3157	Musgrave, WA	100%	100%
EA69/3355	Musgrave, WA	100%	100%
EA69/3356	Musgrave, WA	100%	100%
EA69/3399	Musgrave, WA	100%	100%
E74/0378	Ravensthorpe, WA	100%	100%
E74/0401	Ravensthorpe, WA	20%	20%
E74/0489	Ravensthorpe, WA	100%	100%
E74/0522	Ravensthorpe, WA	20%	20%
P74/0309	Ravensthorpe, WA	20%	20%
P74/0310	Ravensthorpe, WA	20%	20%
E52/3070	Ashburton River, WA	100%	100%
E70/4276	Yallalong, WA	0%	*0%
E70/4444	Yallalong, WA	0%	*0%
EA09/2130	Yallalong, WA	0%	*0%
EA70/4653	Yallalong, WA	0%	*0%

Key:

E : Exploration licence

M: Mining licence

P: Prospecting licence

EA: Exploration licence application

* Earning up to 80%

Shareholder Information

As at 24 September 2015

NUMBER OF EQUITY SECURITIES

	Listed	Not listed
Shares		
Ordinary shares fully paid	174,605,931	-
Options over unissued shares		
Exercisable at 8.75 cents expiring 17 November 2016	-	2,450,000
Exercisable at 2.56 cents expiring 9 March 2018	-	2,000,000
Exercisable at 3.10 cents expiring 6 January 2018	-	450,000
	-	4,900,000

DISTRIBUTION OF SHAREHOLDERS AND OPTION HOLDERS

Holders	Shareholders	Option holders
1 - 1,000	29	-
1,001 - 5,000	37	-
5,001 - 10,000	55	-
10,001 - 100,000	238	-
100,001+	170	4
	529	4

UNMARKETABLE PARCEL

There are 225 holders of less than a marketable parcel of ordinary shares.

SUBSTANTIAL SHAREHOLDERS

Name	No of Shares	%
Tattersfield Group	34,698,226	19.87
Perth Capital Pty Ltd & Elohpool Pty Ltd	34,639,734	19.84
W M G Yovich	14,732,000	8.44
Malahang Pty Ltd	9,833,328	5.63

Shareholder Information

As at 24 September 2015

VOTING RIGHTS

The voting rights attaching to the ordinary shares, set out in clause 10.20 of the Company's constitution are:

Subject to any rights for the time being attached to any class or classes of shares at general meetings of Members or classes of Members:

- Each Member entitled to vote may vote in person or by proxy, attorney or representative;
- On a show of hands, every person who is present who is a Member or a proxy, attorney or representative of a Member has one vote; and
- On a poll every person present who is a Member or a proxy, attorney or representative of a Member shall, in respect of each fully paid share held by him, or in respect of which he is appointed proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction shall be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, (excluding amounts credited). In this clause, amounts paid in advance of a call are ignored when calculating a true proportion.

TWENTY LARGEST HOLDERS OF LISTED EQUITY SECURITIES

	Holder name	Number of shares	%
1	Tattersfield Securities Ltd	33,429,930	19.14
2	Perth Capital Pty Ltd	18,998,332	10.88
3	Elohpool Pty Ltd	15,381,402	8.81
4	W M G Yovich	14,732,000	8.44
5	Malahang Pty Ltd	4,922,220	2.82
6	G F & M J Pauley <Pauley Super Fund A/C>	3,008,660	1.72
7	Malahang Pty Ltd <Patrick Verbeek Super Fund>	2,911,108	1.66
8	Penmaen Limited	2,700,000	1.55
9	Bellarine Gold Pty Ltd <Ribblesdale Super Fund A/C>	2,545,633	1.46
10	Malahang Pty Ltd <The Verbeek Family A/C>	2,000,000	1.14
11	Campbell Kitchener Hume & Associates Pty Ltd <CKH Super Fund A/C>	1,860,000	1.07
12	Royalco Resources Limited	1,600,000	0.92
13	G J Petersons	1,453,332	0.83
14	W B & J A Munyard <J&W Munyard Super Fund A/C>	1,433,333	0.82
15	Bass Media Pty Ltd	1,400,000	0.80
16	Mark Capstick Pty Ltd <The Capstick Super Fund A/C>	1,346,535	0.77
17	Anneling Pty Ltd <Serendipity Super Fund A/C>	1,306,666	0.75
18	West Side Sales Pty Ltd	1,250,000	0.72
19	M J Pevats	1,150,000	0.66
20	T R & L Ward	1,280,147	0.73
		114,709,298	65.69

Corporate Governance Statement

For the year ended 30 June 2015

The board of directors (the “Board”) of Traka Resources Limited (“Traka” or the “Company”) is responsible for monitoring the business affairs of the Company and protecting the rights and interests of all shareholders. High standards of corporate governance are essential to give effect to its responsibilities. The Company’s corporate governance arrangements are set and reviewed by the Board having regard to any changing circumstances of the Company, statutory and regulatory requirements and the best interests of all shareholders. They are designed to comply as far as possible with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations 3rd Edition (the ‘Principles’). This statement outlines the Company’s approach to corporate governance for the financial year ended 30 June 2015. Any documents referenced in this statement as being available on the Company’s website can be found on www.trakaresources.com.au.

1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Roles and responsibilities of the Board and management and those roles reserved for the Board and those delegated to management

The Board’s key objective is the increase of shareholder value by successful exploration for and/or production of minerals. The Board focuses the Company’s activities on pursuing exploration opportunities in the mineral resource business which are judged to have the potential for success without exposing the Company to undue risk. Traka had two principal areas of interest during the financial year, namely the Musgrave Project and the Ravensthorpe Project; the Company’s main thrust has been to add shareholder value by the discovery of economic mineral deposits in these areas.

The Board is accountable to shareholders for the performance of the Company, and its responsibilities include:

- (a) approval of corporate strategy including annual approval of budgets and monitoring performance against the budget;
- (b) determining the capital structure of the Company;
- (c) appointing and determining the duration, remuneration and other terms of appointment of the Managing Director and other senior management;
- (d) evaluating the performance of the Managing Director and other senior personnel;
- (e) overseeing the integrity of the Company’s accounting and corporate reporting systems, including the external audit;
- (f) approving the risk management strategy and frameworks and monitoring their effectiveness;
- (g) determination and monitoring of the Company’s corporate governance systems and practices;
- (h) approval of investments, corporate acquisitions, new joint ventures; and
- (i) appointment of the external auditors and principal advisors.

Due to the concentration of corporate aim and the small size of the Board all issues are considered by the full Board.

Senior executives

Managing Director: the Managing Director is the chief executive officer of the Company.

The role of the Managing Director during the year under review has been to manage the Company’s exploration activities on a day to day basis pursuant to authority delegated by the Board and to implement Board and corporate policy and planning in accordance with Board approved exploration programs and budgets. The Managing Director reports to the Board regularly and is under an obligation to make sure that all reports which he presents give a true and fair view of the Company’s exploration activities.

Corporate Governance Statement

For the year ended 30 June 2015

1.2 Appropriate checks to be carried out on prospective directors

The Board oversees the selection, appointment and induction of new directors. An important part of this process is assessing potential candidates for the Board and includes undertaking appropriate checks before appointing a person as a director of the Company or putting forward to shareholders a new candidate for election as a director. The assessment of potential candidates includes their relevant qualifications, skills and experience, their character, details of other board commitments, potential conflicts of interest and whether they qualify as being independent.

The Board provides shareholders with biographical details and other relevant information as to the qualifications, experience and skills of a candidate standing for election or re-election as a director to enable the shareholders to make an informed decision as to whether or not to elect or re-elect the candidate.

1.3 Written agreements with directors and senior executives

A written agreement, in the form of a letter of appointment, is provided to new directors, setting out the term of their appointment, their remuneration, the time that it is envisaged they will need to commit to perform their duties, the requirement for them to disclose interests and matters that may affect their independence, the requirement for them to comply with key corporate policies including the Company's policy on trading its shares, and the requirement to adhere to ongoing confidentiality obligations. The letter of appointment also sets out indemnity and insurance arrangements, ongoing rights of access to corporate information and the circumstances in which directors may seek independent professional advice at the Company's expense.

Existing directors will receive similar letters of appointment at the time that they are re-elected to the Board.

Written contracts of engagement are entered into with Managing Director and any other senior executives that may be appointed, setting out their position, duties and responsibilities, termination circumstances and entitlements.

1.4 Company Secretary accountable to the Board

The Company Secretary is accountable to the Board and reports directly to the Chairman. The decision to appoint or remove the Company Secretary is made by the Board.

Each director may communicate directly with the Company Secretary and vice versa.

The duties and responsibilities of the Company Secretary include coordinating Board meetings and the timely circulation of Board papers, minuting board meetings and resolutions, regularly communicating with Board members on matters relating to Board procedures and compliance with ASX Listing Rules and advising the Board on governance matters.

1.5 Board diversity

The Company believes that fair and equal access to employment opportunities should be afforded to all eligible employees, regardless of gender, age, nationality, race, religion or sexuality, and that a diverse workforce will provide the broadest and most effective talent pool. All appointments are nevertheless made on the basis of merit.

Due to the small size of its workforce, the Company does not have a formalised diversity policy in place, but the Board is cognisant of the benefits of diversity and will embrace the adoption of such a policy as and when the Company's growth allows.

Measurable objectives for achieving gender diversity

The Company will establish measurable objectives for achieving gender diversity as and when its workforce reaches a size that justifies such a policy.

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Employee proportions

As at 30 June 2015 the Company's small permanent workforce (excluding directors), was comprised entirely of persons of the female gender. There were no changes to the personnel holding executive positions or the three non-executive Board positions, all of which are held by males.

1.6 Evaluation of Board performance

Due to the size and composition of the Board, the Company does not have a formal process for evaluating the performance of the Board or individual non-executive directors.

Accordingly, no formal performance evaluation for the Board or its non-executive members took place during the reporting period.

Directors are encouraged to attend director training and professional development courses, as required, at the Company's expense. New directors have access to all employees to gain a full background on the Company's operations.

All directors have access to company records and information and receive regular financial and operational reports from management. The Chairman and the other directors regularly consult with the managing Director and the Company Secretary and may consult with and request additional information from any company personnel.

The Board collectively, and each director individually, has the right to seek independent professional advice at the expense of the Company to assist with the discharge of their duties. While the Chairman's prior approval is required, it may not be unreasonably withheld.

1.7 Evaluation of the performance of senior executives

The Board is responsible for setting the Managing Director's performance objectives and for evaluating his performance against them. The non-executive members of the Board carry out an annual review of the adequacy of his remuneration participation in share incentive arrangements.

The Company Secretary's performance and remuneration are evaluated on an annual basis.

2 STRUCTURE THE BOARD TO ADD VALUE

2.1 Nomination committee

Due to the size of the Company and the composition of the Board, a nomination committee has not been established. The Board does not consider that the Company's affairs are of such a size and complexity as to merit the establishment of a separate nomination committee. Until this situation changes, the Board will carry out the functions of a nomination committee.

The Board considers that it is in the best interests of the Company to determine the criteria for the selection of new directors based on any perceived "gaps" in the skill set of the Board as and when a casual vacancy arises. The Board remains constantly aware of the requirement to balance the Company's need to retain the overall spread of knowledge, experience and skills that the current Board provides with any opportunity or need that may arise to enhance the overall capabilities of the board either through the replacement of an existing director or the appointment of an additional director.

Retirement and rotation of directors is governed by the Corporations Act and the constitution of the Company. Each year, one-third of the directors must retire and offer themselves for re-election. Any director appointed to fill a casual vacancy between general meetings is required to stand for re-election by shareholders at the next Annual General Meeting of the Company.

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Re-appointment of directors is not automatic. Shareholders are provided with relevant information on each of the candidates for election or, where applicable, re-election.

2.2 Board skills matrix

The principal skills identified as important for the board of the Company are set out below identifying the number of directors (on the three-man board) providing those skills:

Skills	No of Directors
Strategic leadership	4
Business acumen / financial	4
Industry experience	4
Communication	2
Governance	2
Legal	1

Given the small size of the Company and of the board, the skill cover of the existing board is considered to be comprehensive.

Each director has the right to access all relevant company information and to communicate with any of the Company's personnel. Directors may also, subject to prior consultation with the Chairman, seek independent professional advice from a suitably qualified adviser at the Company's expense.

2.3 Independent directors

During the year ended 30 June 2015, the Board consisted of four directors, one of whom, Mr G Petersons is considered independent in terms of the Factors relevant to assessing the independence of a director set out in Recommendation 2.3 of the Principles (Factors). Two of the directors, Mr N Tomkinson and Mr J Pitt, are not independent within the strict meaning of the Factors because they are associated with a substantial shareholder in the Company, as defined in the Corporations Act and the Managing Director, Mr P Verbeek, cannot be considered independent as he is the Chief Executive Officer of the Company.

However, the directors believe that there exists a strong incentive for all Board members to carry out their directorial duties in an independent manner. The Board considers that this, combined with the fact that there is sufficient independence of view and variety of intellectual input between the directors, achieves the objectives of the Factors and consequently views all the non-executive directors to be effectively independent.

The non-executive directors have served as directors since their respective dates of appointment, as follows:

Mr G Petersons	appointed 8 January 2003
Mr J Pitt	appointed 8 January 2003
Mr N Tomkinson	appointed 4 September 2003

2.4 Majority of the board should be independent directors

As set out under Recommendation 2.3, the majority of the Board do not qualify as being independent in terms of the Factors.

A determination with respect to independence is made by the Board on an annual basis. In addition the directors are required on an ongoing basis to disclose relevant personal interests and conflicts of interest which may in turn trigger a review of a director's independent status.

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2.5 Chairman's independence and the roles of chairman and chief executive officer

The Chairman is not an independent director in terms of the strict interpretation of the Factors, but he is independent of the role of Chief Executive Officer, which is filled by the Managing Director. On balance, the Board considers that the Chairman effectively acts as an independent director.

The small size of the Company, the limited number of executive personnel and the relative simplicity of operations, are all factors supporting the size of the Board being kept to a minimum despite the desired requirements of this Principle.

Role of the Chairman

The Chairman is responsible for providing leadership and governance to the Board. He is also responsible for the effective conduct of meetings of directors and general meetings of shareholders and for setting the agenda for Board meetings with the Company Secretary. Any director of the Board may request an item of business to be included on the agenda.

The Chairman and the Managing Director are authorised by the Board to make verbal statements on the Company's behalf.

2.6 Program for inducting new directors and provision of professional development opportunities

The Company Secretary is responsible for ensuring new directors are provided with an induction program to familiarise them with the Company's operations and policies and procedures.

Board members are encouraged to take opportunities to develop and maintain their skills and knowledge relevant to their position as a director of the Company – undertaking any such training or professional development courses at the expense of the Company is subject to prior approval by the Chairman.

3. ACT ETHICALLY AND RESPONSIBLY

3.1 Code of conduct

The Company has a code of conduct which is committed to achieving the following objectives:

- (a) ensuring that all of its business affairs are conducted legally, ethically and with integrity;
- (b) ensuring that the Company itself and its joint venturers who act as operators of projects in which the Company has an interest adopt high standards of occupational health and safety, environmental management and ethics;
- (c) managing its legal obligations and the reasonable expectations of stakeholders effectively through the development and implementation of a risk management framework which incorporates these key areas; and
- (d) fostering and maintaining a culture of ownership, care, professional excellence, confidentiality, integrity and freedom from any conflict or perceived conflict of interest in each of the Company's employees and consultants.

Director conflict of interest

All directors are required to disclose any actual or potential conflict of interest upon appointment and are required to keep up to date these disclosures to the Board.

Trading in company securities

The Company's securities trading policy has been disclosed in accordance with the provisions of the ASX Listing Rules and is published on the Company's website.

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4. SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1 Audit committee

The Board does not consider that the Company's affairs are of such a size and complexity as to merit the establishment of a separate audit committee. Until this situation changes, the Board will carry out all audit committee functions.

The Board monitors the form and content of the Company's financial statements and maintains an overview of the Company's internal financial control and audit system and risk management systems.

Additionally, the Board, in line with its overall responsibility to shareholders, annually reviews the performance and independence of the external auditor and the continuation of that appointment. The Board also approves the remuneration and terms of engagement of the external auditor. Any appointment of a new external auditor will be submitted for ratification by shareholders at the next annual general meeting of the Company.

4.2 CEO/CFO declaration required prior to approving financial statements for a financial period

The Board, prior to approving quarterly, half-yearly and annual financial statements, receives from the Managing Director and the Company Secretary/Chief Financial Officer a declaration in writing that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

4.3 External auditor attends the annual general meeting

The Company ensures that a representative of the external auditor attends the annual general meeting and is available to take questions from attendees concerning the conduct of the audit, the preparation and content of the audit report, the independence of the auditor and the accounting policies adopted by the Company.

5. MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Policy for complying with continuous disclosure obligations under the ASX Listing Rules

The Company's policy on continuous disclosure and its compliance procedures are designed to ensure it complies with the disclosure requirements of the ASX Listing Rules including timely and balanced disclosure.

All announcements to the ASX are promptly loaded onto the Company's website following their release.

6. RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1 Information about the Company and its governance provided to investors via the Company website

The Company's website is intended as a source of general information about the Company and its operations, as well as a source of information specifically for shareholders. It includes information about the Company's capital structure and its larger shareholdings and sets out the Company's Corporate Governance Statement. Copies of the annual, half yearly and quarterly reports and financial statements for at least the past five years can also be accessed. It is updated promptly with the Company's latest ASX announcements – these include notices of meetings and any investor updates and company presentations as well as a link to the Company's current share price on the ASX. Company contact details are provided, including a facility for visitors to the site to send any queries they may have direct to the Company.

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6.2 Design and implement an investor relations program to facilitate two-way communication with investors

The Company has a simple investor relations program whereby it responds promptly to shareholder and investor communications that it receives and utilises the annual general meeting and its website to facilitate communications between the Company and its shareholders and investors.

6.3 Policies and processes to facilitate and encourage participation at meetings of security holders

The Company actively engages with shareholders at the annual general meeting, encouraging them to participate in discussion of the Company's business and affairs. It also uses the opportunity to update shareholders on the Company's operations and is proactive in encouraging attendees to participate in ensuing discussion. Any enquiries received from shareholders to be addressed at the annual general meeting are dealt with at the meeting and at all other times are responded to promptly.

6.4 Provide security holders with the option to receive communications from and send communications to the Company electronically

Shareholders are given the option to receive information such as the Annual Report in print or electronic form.

The Company maintains a website at www.trakaresources.com.au. Shareholders can find all recent information on the Company under various headings on the Company's website, including latest ASX releases, details of its projects and its Corporate Profile. Shareholders may also request a print copy of the Company's recent ASX releases. The Company has not as yet initiated a direct on-line voting mechanism for its shareholders at general meetings as the cost of such a mechanism is considered out of proportion to the number of shareholders choosing to participate.

7. RECOGNISE AND MANAGE RISK

7.1 Committee to oversee risk

The Board does not consider that the Company's affairs are of such a size and complexity as to merit the establishment of a separate committee to oversee risk and relies on the Board as a whole to oversee and manage risk.

The processes the Board employs for overseeing the entity's risk management framework include:

- (a) the establishment of a register of business risks, being principally the risks involved in the Company's main business enterprise, namely exploration for gold, base metals and platinum group elements;
- (b) regularly reviewing the risks relative to any change in the Company's situation and external factors.

To the extent possible in a Company with a very small staff, internal controls are in place to mitigate against any material business risks. Risks of a strategic, financial and operational nature (such as ability to raise capital to fund exploration, commodity price and currency fluctuations, adequate levels of insurance, contract documentation, resourcing, and meeting financial reporting and compliance obligations) are reviewed on a regular basis by the Board. Potential operational risks involved in running the Company are managed by the Board. The Managing Director and the Company Secretary report to the Board on the effective management of risk at least quarterly.

7.2 Review of risk management framework at least annually

The Board reviews its risk management framework regularly and at least annually. There have been no significant changes during the past year.

Corporate Governance Statement

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7.3 Internal audit function

The Board considers that the Company's affairs are not of sufficient size or complexity to warrant an internal audit function.

The Board itself reviews and evaluates the effectiveness of its risk management and processes of internal control.

7.4 Material exposure to economic, environmental and social sustainability risks

The Board is currently satisfied that the manner in which the Company conducts its business should not give rise to any material exposure to economic, environmental and social sustainability risks.

8. REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration committee

The Board does not have a separate remuneration committee due to the small size of the Company and the limited number of employees. The full Board carries out the functions of a remuneration committee.

The Board on an annual basis reviews remuneration and incentive policies, as well as superannuation arrangements. The Board adheres to the principles used to determine the nature and amount of remuneration outlined in the audited Remuneration Report set out in the Directors' Report. The Board reviews these principles at least annually and, where necessary, will consult with external consultants and specialists. Executive directors do not participate in deciding their own remuneration.

8.2 Separate disclosure of remuneration policies and practices for non-executive directors and executive directors and senior executives

Remuneration for non-executive directors is fixed and they do not participate in any incentive plans. They do not receive any retirement benefits, except that, as part of their fixed remuneration, they are paid superannuation.

The Managing Director receives a set amount of remuneration and from time to time, subject to prior shareholder approval, is offered free unlisted options to acquire ordinary shares in the Company.

For information about director remuneration policies and practices, reference can be made to the audited Remuneration Report set out in the Directors' Report.

Remuneration of other Company personnel is by way of salary or fees, on a set or hourly basis, and, at the Directors' discretion, may include the grant of options to acquire shares in the company in accordance with the Company's Employee Share Option Plan.

8.3 Equity based remuneration scheme

Recipients of equity-based remuneration such as incentive options are not permitted to enter into transactions which would limit the economic risk of participating in such schemes.



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