



# TRAKA RESOURCES LIMITED

ABN 63 103 323 173

## Quarterly Activity Report for the three months ended 30<sup>th</sup> June 2009

### SUMMARY

#### *The Musgrave Project*

- Strong multi-element geochemical anomalism on the large Navigator Anomaly is very encouraging. IP geophysical and drilling programs are to commence as soon as possible to test this target.
- Geophysical surveys using Anglo American's proprietary airborne and ground EM systems will continue during the next Quarter.

#### *The Ravensthorpe Projects*

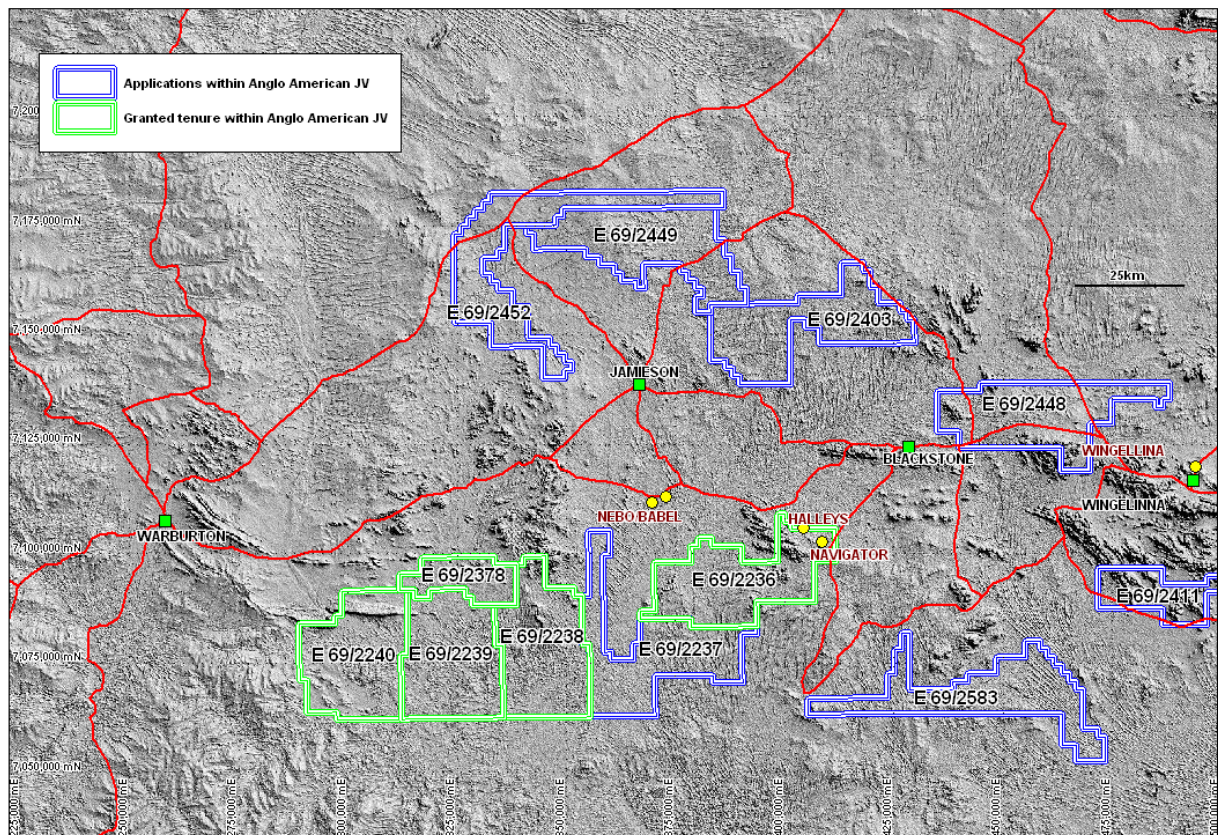
- Discussions continued with a number of potential Joint Venture parties.

# The Musgrave Project:

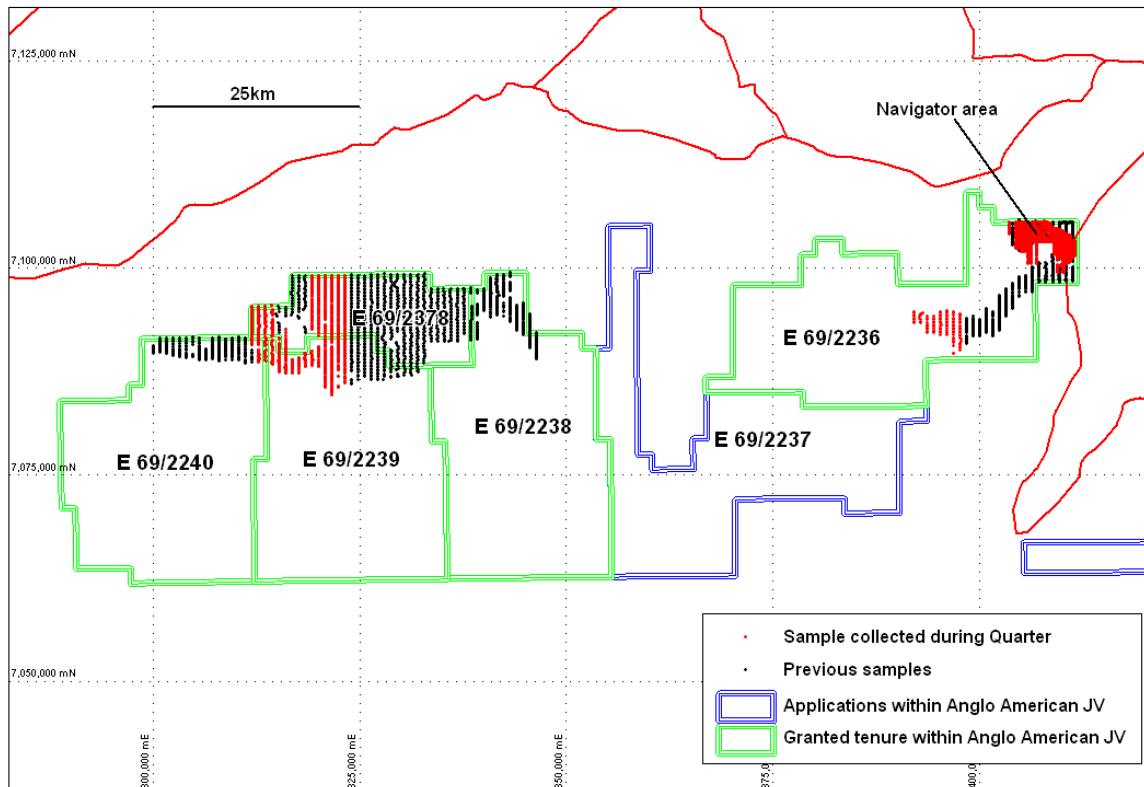
## **Anglo American Joint Venture:**

(Anglo American earning up to 75%)

Auger geochemical sampling (1900 samples), geological mapping and electromagnetic (“EM”) surveys have continued on the Musgrave Project. This work was focused on Exploration Licence E69/2236, south-west of Blackstone (Figure 1 and Figure 2).



**Figure 1: Location plan of the Musgrave Project**



**Figure 2: Geochemical work completed during the quarter**

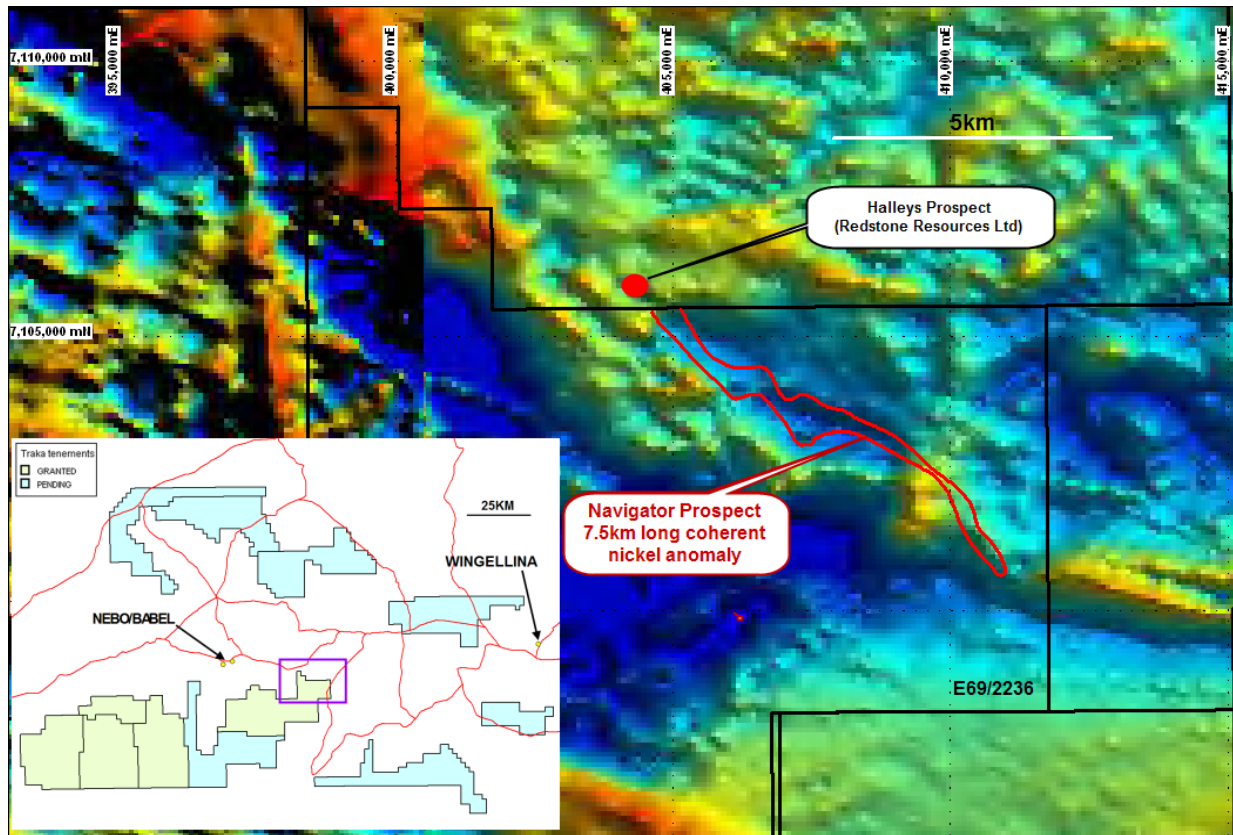
The Navigator Anomaly:

Infill auger geochemical sampling and a SQUID EM survey of this strong and coherent 7.5 kilometre long Nickel, Copper, PGE (“Platinum Group Elements”) anomaly has been completed. Sample spacing is now 100 metres on lines 200 metres apart. Some sample results are still outstanding but the data available continues to demonstrate the presence of a multi-element target coincident and parallel with an aeromagnetic feature (Figure 3). A strong association between the anomalous elements detected in the auger samples is consistent with the presence of an underlying sulphide mineralisation source.

Geological mapping shows that the anomalism is hosted by a suite of stratiform mafic and ultramafic rocks comprising part of the Saturn layered intrusive and that there are possibly a number of late stage intrusives into this complex. This geological setting is very favourable and indicates similarities to the geological environment hosting copper, nickel and PGE mineralisation found at the Babel and Nebo target 25 kilometres to the west (owned by BHP Billiton).

A SQUID EM survey of the Navigator Anomaly, completed on a 400 metre line spacing, is still to be finally processed but indicates that disseminated sulphide mineralisation rather than massive sulphides may account for the surface anomalism. This outcome has led to the initiation of an IP (“Induced Polarisation”) survey, which as a geophysical technique is better suited than EM for the generation of drill targets within disseminated styles of mineralisation. This survey should assist in defining drill targets in what is otherwise a very large zone of anomalism. The IP survey can be

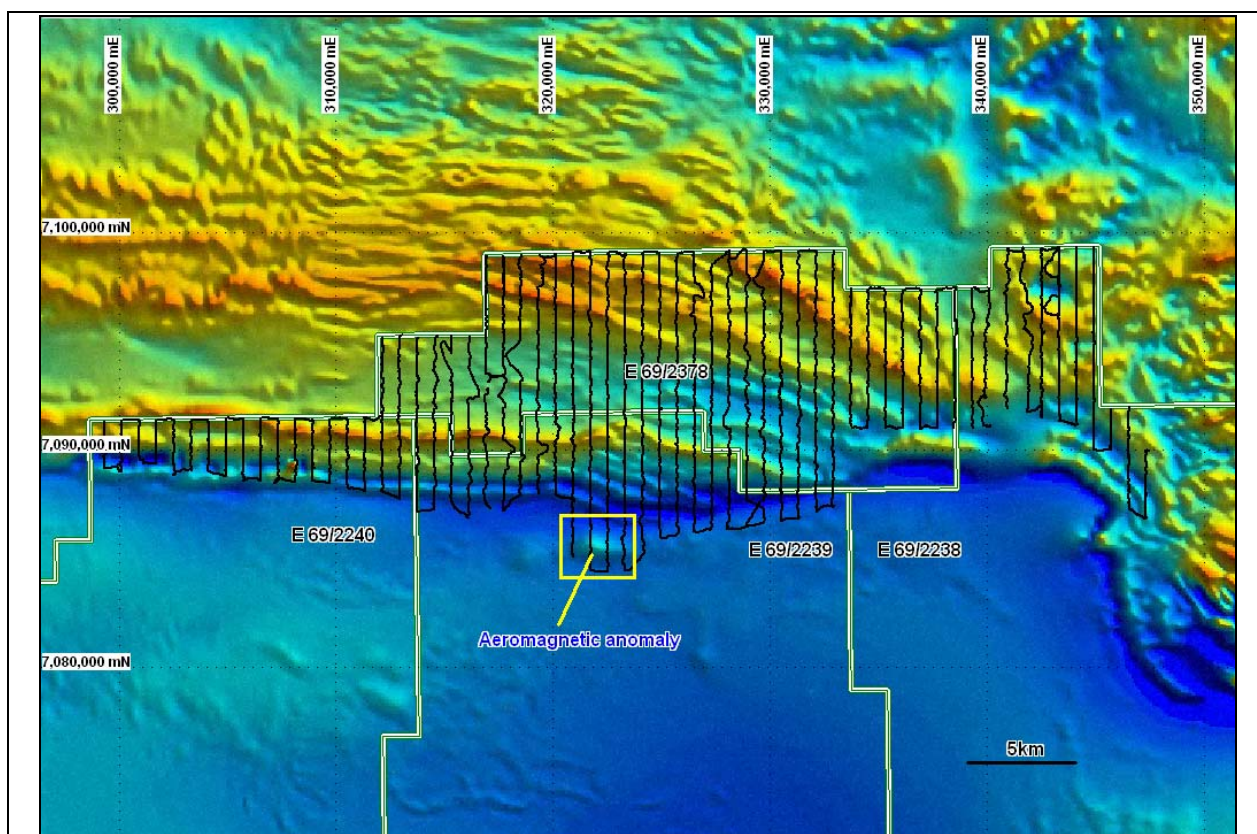
expected to be completed in the following quarter period and drilling is planned to follow shortly after.



**Figure 3: The Navigator Anomaly showing the trace of nickel anomalism over an aeromagnetic image.**

The Officer Anomaly:

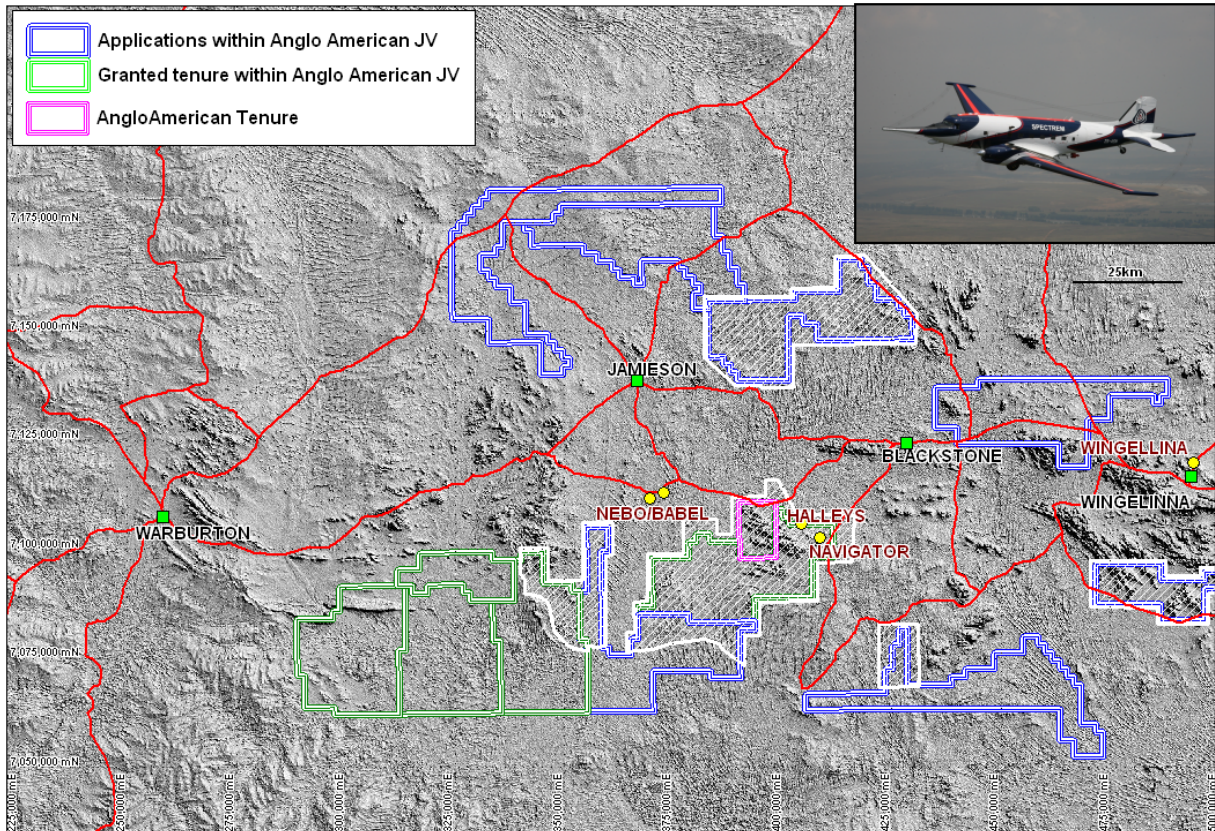
The Officer aeromagnetic anomaly, located within exploration licence E69/2239, is currently being surveyed using Anglo American's proprietary EM "SQUID" system (Figure 4). This anomaly lies within the sedimentary rock sequence of the Officer Basin immediately south of the Basin's contact with rocks of the Musgrave Province. Heritage and Botanic Surveys have been completed in preparation for drilling.



**Figure 4: Geochemical sampling lines and location of the Officer aeromagnetic anomaly**

#### Spectrem Airborne EM Survey:

The major airborne EM survey using Anglo American's proprietary "Spectrem" EM system will commence within a few weeks. The survey will cover 7 of the Joint Venture tenements involving a total of about 12,000 line kilometres (Figure 5). The survey is expected to take about two weeks to fly and it will constitute the first use of the Spectrem system in Australia. The Spectrem survey will assist in mapping the terrain by providing systematic EM, aeromagnetic and radiometric data but is more specifically designed to directly locate electrical conductors associated with massive sulphide mineralisation.



**Figure 5: Proposed Survey area and photograph of Spectrem plane**

**Access and Heritage Agreements:**

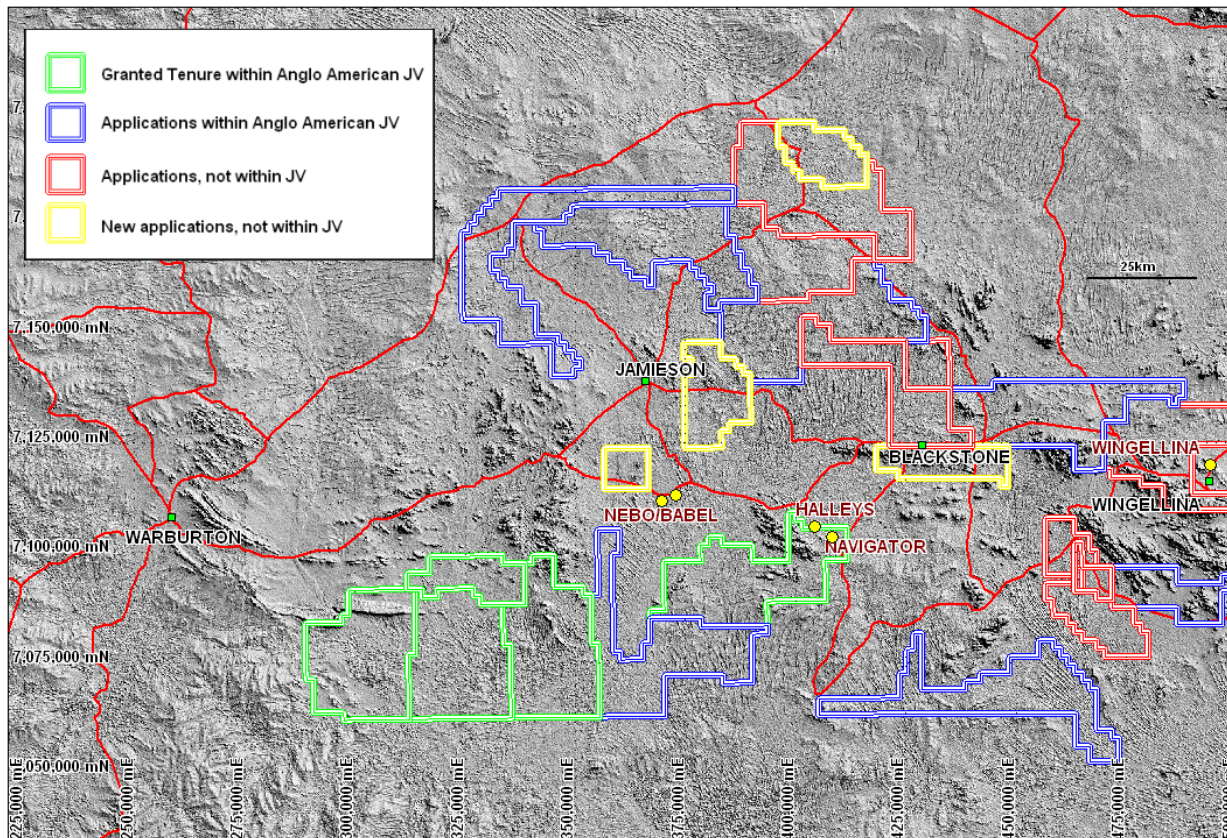
A new Access Agreement has been completed for exploration licence E69/2237. Successful execution of this agreement allows for access to the fifth Exploration Licence in the Musgrave Project.

A Heritage Agreement has also been completed which incorporates all the 5 granted tenements. This agreement allows for the progression of Low Impact exploration work in all areas other than those specifically demarcated as “No Go” zones. Low Impact exploration work is no longer limited by line by line clearance programs.

This most recent Heritage Agreement marks a significant and successful progression by both the Company and Traditional Owners towards enabling effective exploration practice whilst ensuring the preservation and respect for areas of cultural significance.

***New Exploration Tenement Applications:***

Four (4) additional exploration licences have been applied for covering a combined area of 813 square kilometres in the Musgraves Project.(Figure 6). These licences are held independently by Traka and are not included in the Anglo American Joint Venture. The ongoing acquisition of exploration tenure in the Musgrave region is consistent with the company’s strategic focus in one of the most prospective and least explored regions in Australia.



**Figure 6: Tenement plan showing new tenement applications**

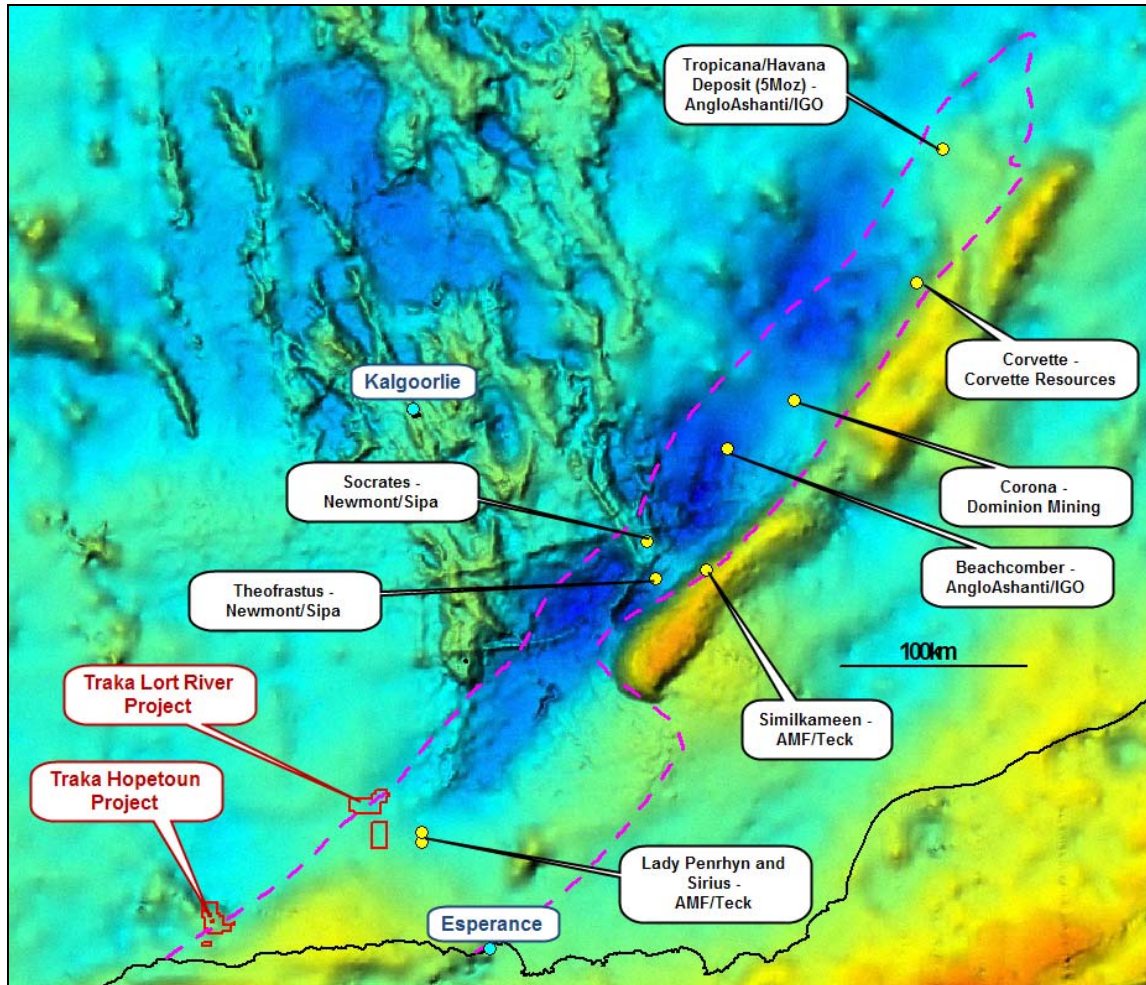
## **The Ravensthorpe Nickel Project**

Discussions are continuing with a number of parties regarding the possibility of a joint Venture on this project.

## **The Hopetoun and Lort River Projects**

No further work was completed on this project during the quarter.

The Lort River tenements target the tectonic contact zone between the Archean aged Yilgarn Block to the west and the re-worked Archean aged rocks to the east (Figure 7). This zone has become the recent focus of a high level of exploration activity by a number of companies following the discovery by Anglo Gold and the Independence Group NL of the Tropicana Gold Project (5.01 million ounces) 600km to north-east. A number of other gold prospects along the contact zone between Tropicana and Lort River Projects are positive signs for further success.



**Figure 7: Location plan for the Lort River and Hopetoun Projects over gravity image**

Mr Patrick Verbeek  
**Managing Director**

29 July 2009

The information in this report that relates to Exploration Results is based on information compiled by Mr. P. A. Verbeek the Managing Director of Traka Resources Ltd. Mr. P. A. Verbeek is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. P. A. Verbeek consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**TRAKA RESOURCES LIMITED**

ABN

**63 103 323 173**

Quarter ended ("current quarter")

**30 June 2009**

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) Exploration & Evaluation	(155)	(344)
(b) Development	-	-
(c) Production	-	-
(d) Administration	(108)	(471)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material): Receipts	(17)	51
<b>Net Operating Cash Flows</b>	<b>(275)</b>	<b>(727)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(11)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	55
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) Payment	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>44</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(275)</b>	<b>(683)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

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1.13	Total operating and investing cash flows (brought forward)	(275)	(683)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(275)	(683)
1.20	Cash at beginning of quarter/year to date	683	1,091
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>408</b>	<b>408</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	76
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

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

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

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	<b>55</b>
4.2 Development	
<b>Total</b>	

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	<b>183</b>	<b>458</b>
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposit	<b>225</b>	<b>225</b>
5.5 Other (Bank accepted bills)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>408</b>	<b>683</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
6.2 Interests in mining tenements acquired or increased	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference <sup>+</sup>securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	<b>44,782,202</b>	<b>44,782,202</b>		Fully Paid
7.4 Changes during quarter (7) Increases through issues  (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (7) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	<b>1,000,000</b>		<b>20 cents</b>	<b>29 November 2010</b>
	<b>1,000,000</b>		<b>10 cents</b>	<b>10 December 2011</b>
	<b>1,000,000</b>		<b>20 cents</b>	<b>28 December 2011</b>
	<b>150,000</b>		<b>25 cents</b>	<b>6 April 2012</b>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

**Peter Rutledge**

Sign here: (Company secretary)

Date: **29 July 2009**

Print name: **Peter Rutledge**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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