



# Traka Resources Limited

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ABN: 63 103 323 173

15 October 2010

Company Announcements Office

ASX Limited

PO Box H224 Australia Square

SYDNEY NSW 2000

Dear Sir / Madam

**Annual Report**

Attached is the Traka Resources Limited 2010 Annual Report.

Yours faithfully

Peter Rutledge

Company Secretary



# Annual Report 2010

Traka Resources Limited

ABN 63 103 323 173



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# Corporate Directory

## Directors

Neil Tomkinson LLB, 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 Ruttledge BSc, CA, FFin

## Principal and Registered Office

Suite 2 Ground Floor  
43 Ventnor Avenue  
West Perth WA 6005  
Ph: (08) 9322 1655  
Fax: (08) 9322 9144  
Email: [traka@trakaresources.com.au](mailto:traka@trakaresources.com.au)  
Web: [www.trakaresources.com.au](http://www.trakaresources.com.au)

## 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 2, Reserve Bank Building  
45 St George's 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



I am pleased to report that Traka has a very interesting exploration program underway this year and that your board is excited about the prospects for the future. Our focus and the dominant flow of positive exploration results remains with our very large Musgrave Project but some good progress has also been achieved at Ravensthorpe. The Musgraves region is being heavily explored by major companies and your Company is well placed to be a prime benefactor as its full potential unfolds.

## The Musgrave Project

Over the few years that Traka has been active in the Musgrave region it has become the dominant licence holder. The Company has secured an area of 10,500 square kilometres stretching for several hundred kilometres between Warburton and the Western Australian state border (Figure 1). Geologists refer to this region as the West Musgrave Province and it is widely recognized as one of the most prospective and under-explored Proterozoic Basins in the world. The presence of a series of mafic and ultramafic intrusives of



Figure 1 Musgrave Project location plan

the “Giles Complex”, which already hosts two world scale copper-nickel-platinum resources, attracts most of the exploration focus. Given the very limited exploration history of the region, Traka’s extensive interests provide a realistic and exciting possibility for further discoveries.

Traka’s Musgrave Project comprises 32 exploration licences. These are best divided into those managed and actively explored by Traka in its own right and those being explored by our joint venture partner Anglo American (Australia) Pty Ltd (“Anglo American”), which is earning up to 75% interest. Traka entered into a joint venture with Anglo American in December 2008 on all eleven licences held by the Company at that time and Anglo is currently active on seven of them. Traka has since applied for seventeen additional licences and has secured four others through joint ventures with third parties. This year Traka was able to start exploration on four of these while the remainder await granting and/or heritage clearances.

Traka and Anglo American, individually in some instances and in cooperation in others, are actively negotiating with the Traditional Owners for access to further portions of the tenement portfolio. Steady progress has been achieved and on Traka’s behalf I would like to take this opportunity to thank the Traditional Owners and the Ngaanyatjarra Council for their cooperation which is assisting an unprecedented level of exploration in the Musgrave region. We hope that our persistent efforts will prove successful benefiting not only Traka but also the Traditional Owners.

## The Musgrave Project - Traka Managed

Traka commenced exploration activity in the Musgrave region in April 2010 on four licences in the Jameson area (Figure 2). Access Agreements were successfully negotiated late last year in time for us to commence exploration at the beginning of the current field season. The four licences are E69/2618, wholly owned by Traka; E69/2032, in which Traka has a 90% interest in joint venture with Polaris Metals Ltd (“Polaris”), and E69/2229 and E69/2230 over which Traka has an option to earn a 90% interest from Sammy Resources Pty Ltd (“Sammy”).

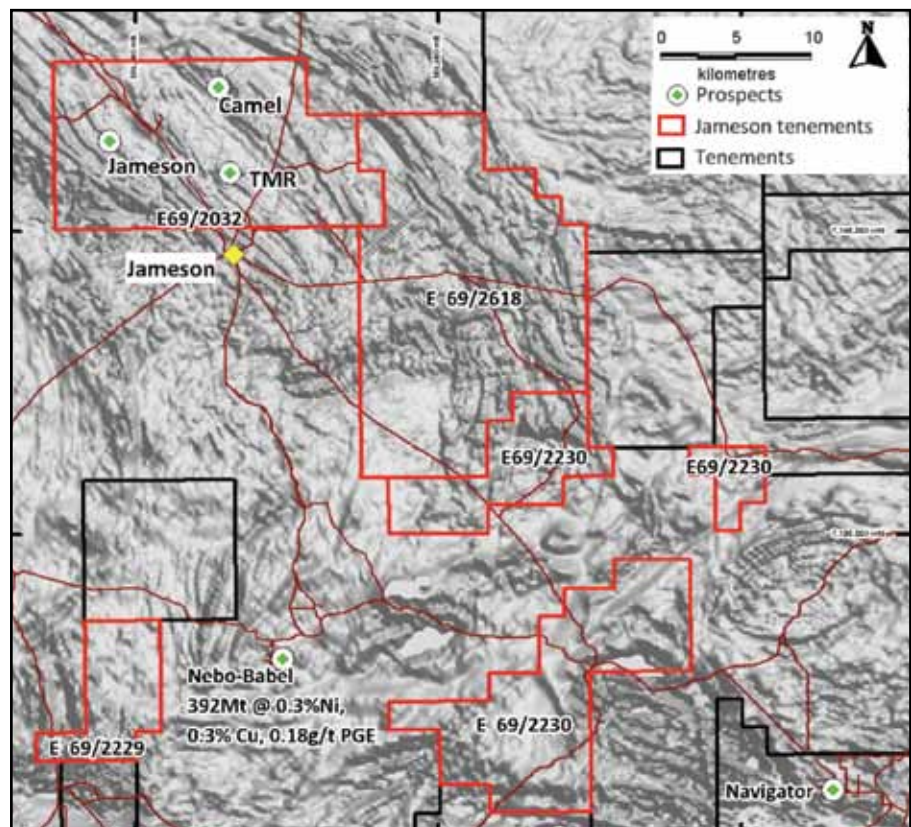


Figure2 Traka managed tenements in the Jameson area shown over aeromagnetic image

Two particular styles of mineralisation are recognized within the targeted Giles Complex. The first style is that typified by BHP Billiton Ltd at the Nebo and Babel discoveries, which are similar in style to the Voisey’s Bay nickel sulphide mine in Canada. This style of mineralisation has the common characteristic of being associated with feeder zones or late stage mafic and

ultramafic intrusives. These intrusives and/or feeder zones are often smaller discrete peripheral features to the prominent very large intrusives which typically form the ranges throughout the Musgrave region (Figure 3).

The second style of mineralisation is that associated with the very large Jameson Range Intrusive. Here a unique metal association of copper, nickel, gold and platinum with vanadium is present which has not been observed elsewhere in the Musgrave region. The Jameson Intrusive is characterised by rhythmic layering patterns which are very readily observed in the aeromagnetic data (Figure 2). The layering reflects compositional changes in the host mafic and ultramafic rock as well as titaniferous magnetite rich layers. This style of layer controlled mineralisation is similar to that observed in some world class deposits within the South African Bushveld Complex and the mineralisation currently being assessed by NiPlats Australia Limited at its Speewah Project in the Kimberleys.

Traka's exploration programs are both methodical and detailed and should detect the presence of both styles of mineralisation. We are pleased to report that early exploration results available to us are most encouraging.

Reconnaissance phase geochemical sampling programs using auger and vacuum rigs have been completed over most of the Jameson tenements (Figure 5). Three strong geochemical targets have been infill sampled so far while other anomalies have been highlighted and remain to be investigated in more detail. Assay results are awaited on many samples and a number of updates can be expected over the coming months.

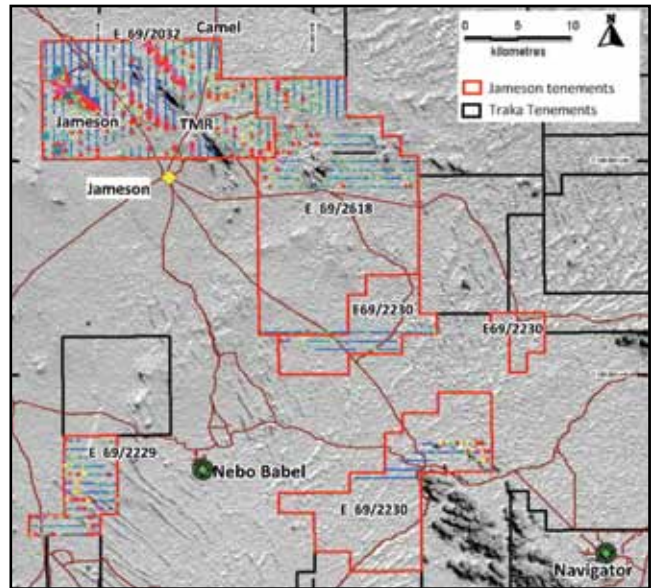


Figure 5 Geochemical sampling pattern showing copper (red and purple colours) anomalism over a digital elevation image



Figure 3 The Cavenagh Ranges

Figure 4  
Geochemical  
sampling on  
the Jameson  
tenements



Two of the three strong geochemical targets, called Jameson and TMR, are associated with a layer parallel outcropping titaniferous magnetite rock unit with strongly anomalous vanadium, titanium, platinum and gold values. A zone of anomalous copper mineralisation within a gabbroic host rock occurs on the southern side of this horizon. The Jameson and TMR targets have a combined strike over 10 kilometres (Figure 5). The scale and strength of anomalism is significant and consequently drill testing is now being planned. The initial focus of the drill program is likely to be the Jameson target. Airborne and ground electromagnetic surveys ("EM") have defined geophysical anomalies coincident with the geochemical

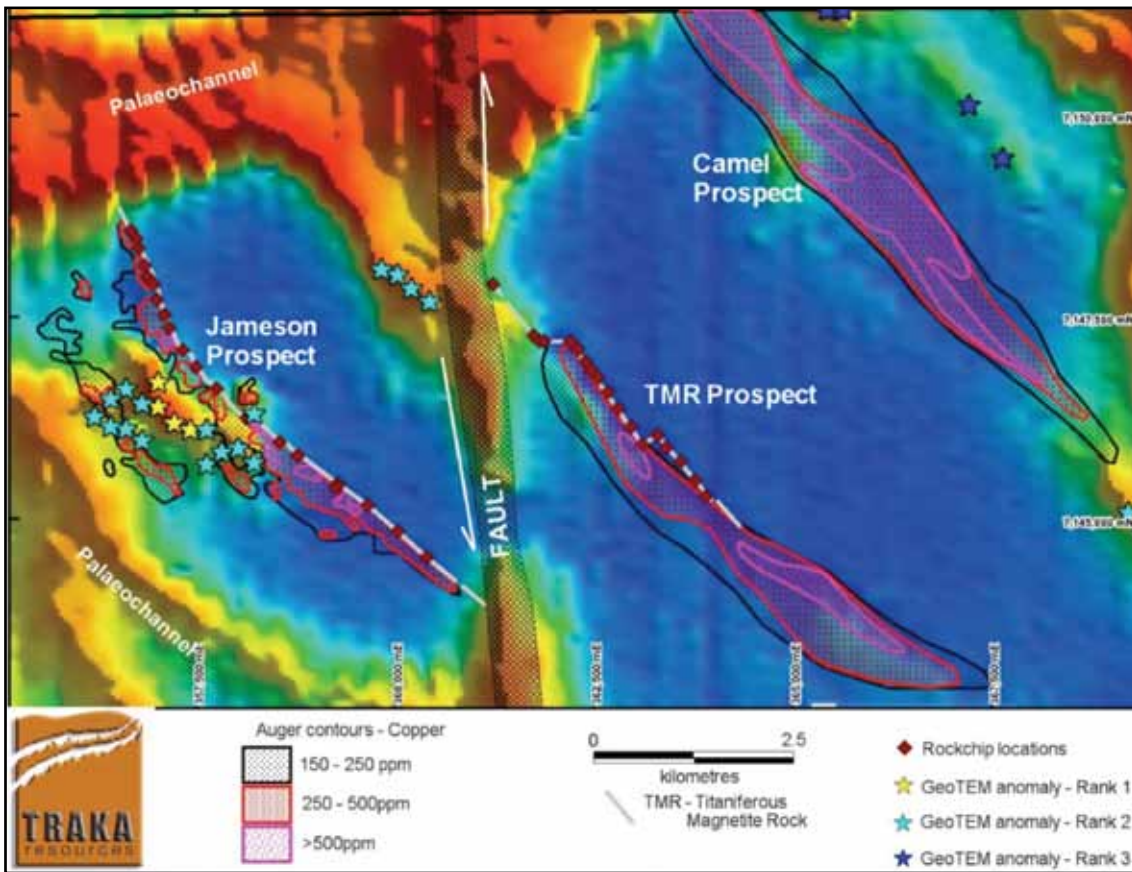


Figure 6 E69/2032 Target location plan showing geochemical targets over airborne EM image.

anomalism in this location. Modeling of the EM data suggests a layer parallel conductor striking over 800 metres length which is consistent with the signal from disseminated style sulphide mineralisation.

The third geochemical target highlighted to date is called Camel. This target is a very strong auger geochemical anomaly extending over 8 kilometres. The copper and palladium values are particularly elevated. The host rocks, which do not outcrop, are anticipated to be mafic or ultramafic in composition. A slight disconformity of the otherwise regular layered intrusive sequence suggests a zone of structural modification or perhaps the presence of a later stage intrusive into the older Jameson Range intrusive body (Figure 6). In any event this setting is a good fit for our mineralisation models and therefore follow up drilling of this target is also planned.

With the imminent completion of the reconnaissance geochemical sampling program detailed follow up work will commence. Some of this work is already complete on the Jameson, TMR and Camel targets but clearly more is required on new discoveries.

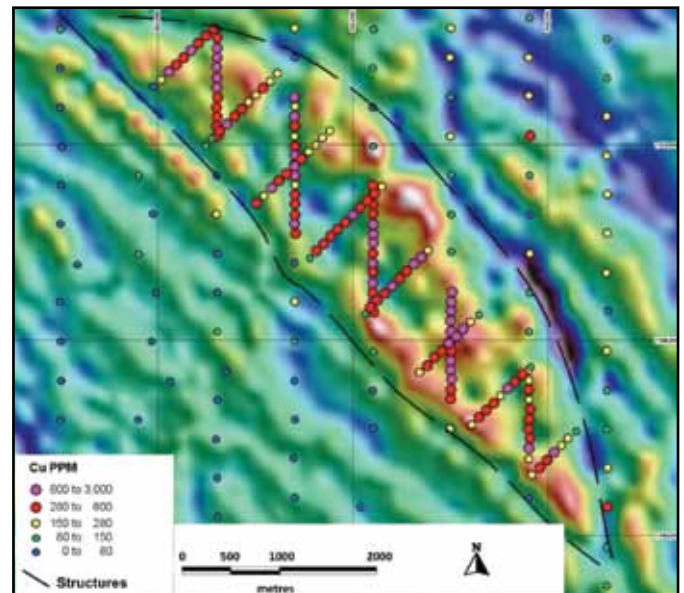


Figure 7 Camel Prospect showing copper anomalism over an aeromagnetic image



# The Musgrave Project – Anglo American managed

(Anglo American earning up to 75%)

Anglo American has steadily advanced exploration work on the joint venture tenements and in July this year commenced the first drill test of three targets. Methodical exploration programs comprising geochemical, geophysical and geological surveys over the past two years led to this first drill program.

The first of the three targets drilled by Anglo American was the Navigator Target. Drilling is complete but no assay data is available as yet with extraordinary weather conditions slowing the progress of assay despatch and delivery of data. Visual indications are somewhat discouraging. Some zones of weak disseminated sulphide mineralisation were observed which may account for the surface geochemical copper, nickel and platinum anomalism. Higher than expected levels of chromite combined with magnetite may explain the Induced Polarisation (“IP”) and weak EM geophysical anomalies which coincide with the anomalous geochemistry. Assays and a full compilation of the data are required before a full assessment can be made.



The two other targets drilled by Anglo American were Oberon and Roquefort. Results are awaited for this work too. At Roquefort it seems clear that the target zone was not reached as a consequence of the regolith cover being in excess of 150 metres thick.

Another large component of Anglo’s American’s

exploration program this year has been completion of the very large Spectrem airborne EM survey. Compilation of this data base was completed a few months ago and seven anomalies were highlighted (Figure 8).

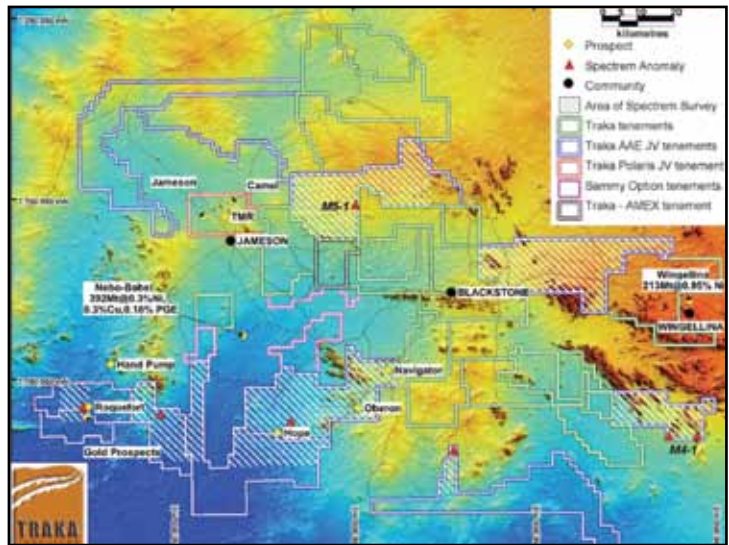


Figure 8 Musgrave Project plan showing Spectrem Survey location

The Spectrem EM survey is particularly suited to locating electrical conductors likely to be associated with massive sulphide ore bodies. Disseminated style mineralisation as at Navigator does not give a clear EM response. All the Spectrem anomalies are being evaluated by comparing them with the available geochemical and geological information but the strongest anomalies are obviously the main focus.

The strongest Spectrem EM Anomaly of the entire survey of 15,500 line kilometres is referred to as the M5-1 anomaly (Figure 9). This anomaly’s EM response is consistent with that of

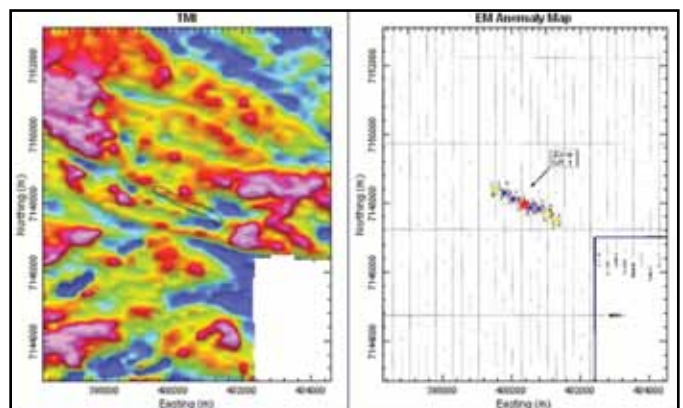


Figure 9 Location plan for Spectrem EM Anomaly M5-1

a good massive sulphide conductor. The anomaly extends over 1000 metres length and is modeled to be less than 100 metres from surface with a southerly dip. Regolith cover over the anomaly appears to be less than 10 metres primarily comprising sand dunes and loam.

Access to the M5-1 Anomaly and the exploration licence upon which it occurs was only agreed to with the Traditional Owners and Ngaanyatjarra Council a few weeks ago. Follow-up work should be underway early in the 2011 field season after completion of formalities and the necessary Heritage Surveys. In the meantime, follow-up work is now being directed to the two medium ranked Spectrem EM targets called M4-1 (Figure 8) and geochemical and ground EM surveys are expected to start in a few weeks time. The M4-1 anomalies strike over 2000 metres and appear to be associated with a large magnetic body. The dip and nature of these anomalies cannot be reliably interpreted but their response is consistent with that of a strongly disseminated sulphide zone or perhaps a magnetite-ilmenite zone.

Anglo remains firmly committed to the Musgrave Project Joint Venture and is expanding its exploration activity. Exploration programs are being advanced for next year and field operations will continue for the remainder of the current year. We can expect a steady flow of new information from Anglo American to add to the exciting new data coming from our own efforts.

## The Ravensthorpe Project

The Ravensthorpe Project area straddles a significant part of Ravensthorpe Greenstone Belt and comprises four different sub Projects (Figure 10). Foremost of these is Traka's Nickel Sulphide Project while the others are the Mt Short Lead Sulphide Project the Sirdar Lithium-Tantalum Joint Venture with Galaxy Resources Limited and the Tectonic Resource NL base metal joint venture.

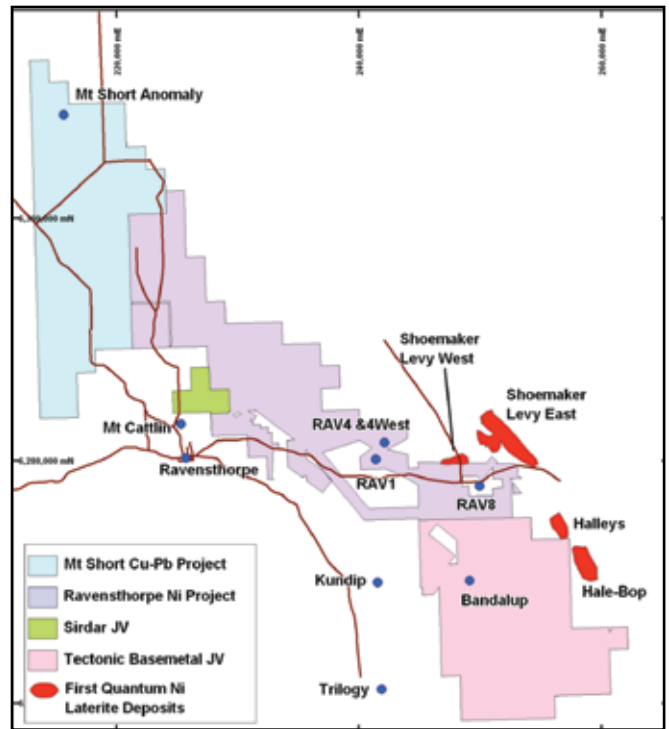


Figure 10 Ravensthorpe Project location plan

## The Ravensthorpe Nickel Project

An application for a grant under the Government Co-funded Exploration Drilling program was successful in obtaining \$150,000 to assist in financing drilling on the RAV4 and RAV4 West prospects and north of the RAV8 Mine. The drilling will be undertaken in the coming summer season and will test a number of specific features and interpretations proximal to the main known positions of sulphide nickel mineralisation at Ravensthorpe.

Little work has been completed targeting the interpreted magnetic feature striking in a north westerly direction from RAV 8 into Traka ground. One of the few holes drilled to test this did not reach the basal contact. The new drilling will ensure that the prospective ultramafic-granite is tested.

The drilling at RAV4 and RAV4 West will test the down dip potential of these prospects which remains largely untested. The targets can be investigated whilst simultaneously piercing a significant dextral transform fault which is co-

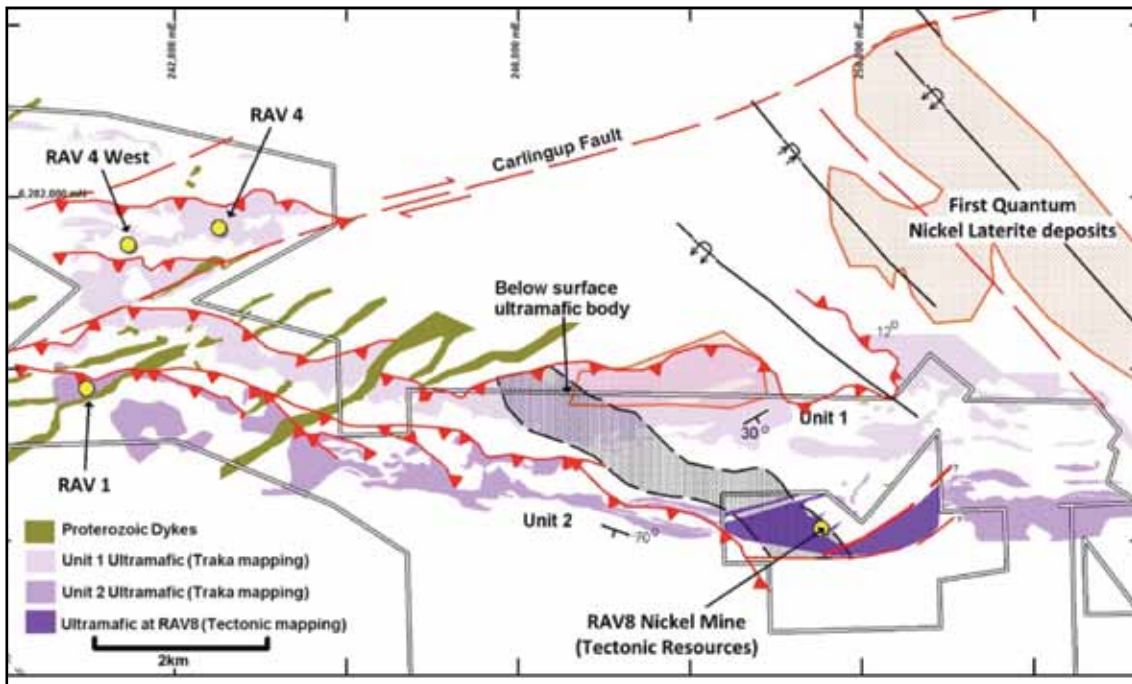


Figure 11 Geological setting of the Rav 4 and Rav 8 prospects

incident with EM targets. This fault potentially offsets stratigraphy and may be the fault offset continuation of mineralisation at RAV 1. There is also the potential for structural remobilization of nickel mineralisation which has not been investigated by previous drilling.

hosted mineralisation was observed which perhaps provides some explanation but it is clear that further work is required to resolve this matter. The indicated potential is sufficiently encouraging to warrant further exploration evaluation now being scheduled for the coming summer period after harvesting has been completed.

## Drilling on the Mt Short Lead Anomaly

A five-hole Reverse Circulation (“RC”) drilling program on the Mt Short Lead surface geochemical anomaly has revealed the presence of a large mineralized lead, zinc and copper supergene blanket over a mixed sequence of weathered sedimentary and volcanic rocks. The supergene blanket occurs between 15 and 50 metres vertical depth and overlies a distinct linear aeromagnetic feature that extends over two kilometres to the north. Several other magnetic anomalies to the south indicate that further potential may lie in this direction as well.

The limited extent of drilling in the fresh rock below the supergene blanket is inconclusive with respect to providing a source for the lead, zinc and copper mineralisation. Some minor shear and vein

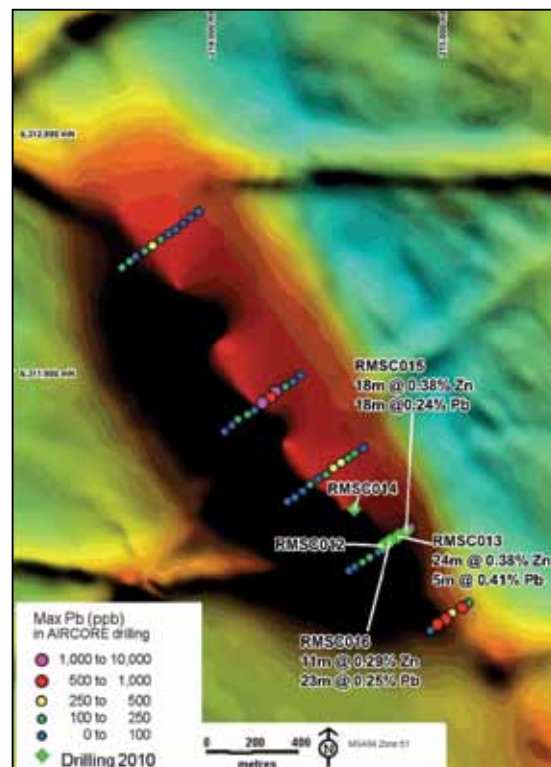


Figure 12 Mt Short Anomaly

## The Sirdar Joint Venture

(Traka 20% free carried)

A joint venture agreement with Galaxy Resources Limited (“Galaxy”) in the Sirdar area provides Traka with a good opportunity to participate in the Mt Cattlin Mine operation which officially opened on 6th November 2009. Galaxy completed a definitive feasibility study on their adjacent Mt Cattlin Lithium Tantalum Project which has begun operations with an anticipated processing rate of 1 million tonnes from reserves grading 1.04 percent lithium oxide (“%Li<sub>2</sub>O”) and 138 parts per million tantalum pentoxide (“ppm Ta<sub>2</sub>O<sub>5</sub>”).

Galaxy expects to recommence exploration further afield and within the Sirdar Joint Venture ground once the new operation has ramped up to full production.

The key term of the agreement with Galaxy provides for Traka to retain a 20% Free Carried position through to production on any lithium and tantalum mine development in our project area. The gold potential on the project, if it were ever to be exploited, would similarly be Free Carried but only to completion of a Feasibility Study.

## Joint Venture with Tectonic Resources NL

(Tectonic earning 70%)

During the year Traka entered into a joint venture with Tectonic Resources NL on a number of exploration licences in the southern portion of Traka’s Ravensthorpe Project area (Figure 10). These licences are particularly prospective for copper, lead, zinc and gold.

The immediate focus for Tectonic will be a 6 kilometre long gold and base metal anomaly known as the Bandalup Gossan. Irregular and wide spaced drilling on this prospect by previous explorers returned best drill hole intersection grades of 10 metres @ 1.01 grams per tonnes gold and 25.9 metres @ 1.76% lead and 17 metres of 0.83% copper.

Tectonic is currently undertaking a Feasibility Study, referred to as the Phillips River Study, examining mining of the nearby Kundip and Trilogy Prospects. Given the proximity and geological similarity of the Bandalup Gossan target and Tectonic’s advanced assessment of their own project, an alignment of Traka interests with Tectonic’s was a logical outcome.



Figure 13 Traka’s Lithium and Gold Project in relation to the Cattlin Creek deposit (image taken from Galaxy Resources ASX release)

## The Lort River Project

The Lort River Project occurs in the prospective contact zone between the Archean Yilgarn Block to the west and re-worked Archean aged rocks to the east. This contact 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 Independence Group NL of the Tropicana Gold Project (Figure 14).

Geological mapping and reconnaissance geochemical sampling has been completed on

portions of the Lort River licences and gold geochemical anomalism has been detected crossing over the licence boundary to the abutting licences held by Triton Gold Ltd ("Triton"). Triton has recently completed drilling on some of the gold geochemical targets near Traka's licence boundary and has received some encouragement. This new information is currently being assessed to assist with determination of our own future work programs.

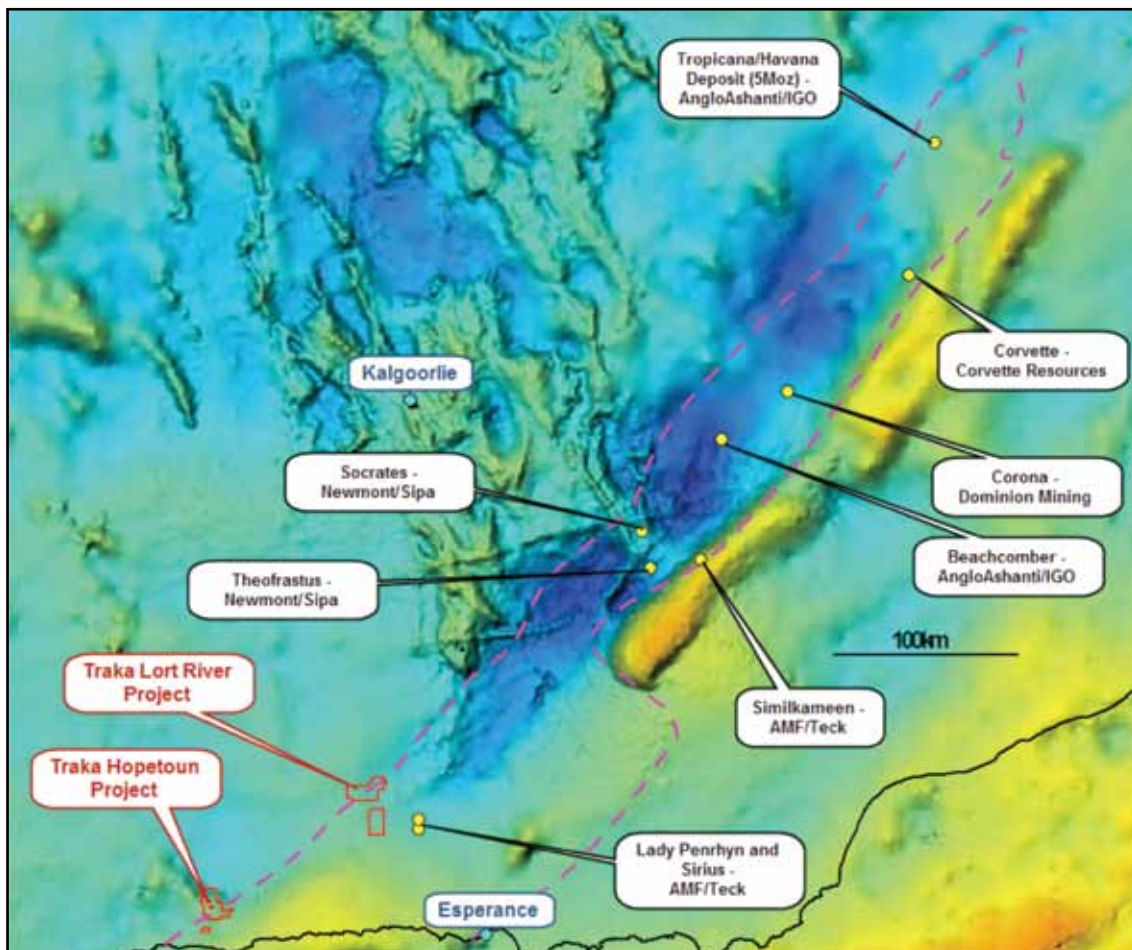


Figure 14 Lort River Project location plan

### JORC Compliance Statement

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 Limited. Mr Verbeek is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization 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 Verbeek consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

# Schedule of Tenements

Tenement Type	Tenement Number	Project	Registered Holder	Traka % Interest
EL	74/0411	Lort River	Traka Resources Ltd	100
EL	74/0412	Lort River	Traka Resources Ltd	100
EL	69/2032	Mt Blyth (Polaris Option)	Traka Resources Ltd	90
EL	63/2229	Mt Blyth (Sammy Option)	Sammy Resources Pty Ltd option for	90
EL	63/2230	Mt Blyth (Sammy Option)	Sammy Resources Pty Ltd option for	90
EL	69/2236	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
EL	69/2237	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
EL	69/2238	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
EL	69/2239	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
EL	69/2378	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
ELA	69/2403	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
ELA	69/2411	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
ELA	69/2448	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
ELA	69/2449	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
ELA	69/2452	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
ELA	69/2583	Mt Blyth (AAE Option JVA)	Traka Resources Ltd	100
ELA	69/2590	Mt Blyth	Traka Resources Ltd	100
ELA	69/2591	Mt Blyth	Traka Resources Ltd	100
ELA	69/2592	Mt Blyth	Traka Resources Ltd	100
ELA	69/2596	Mt Blyth	Traka Resources Ltd	100
ELA	69/2608	Mt Blyth	Traka Resources Ltd	100
ELA	69/2609	Mt Blyth	Traka Resources Ltd	100
ELA	69/2610	Mt Blyth	Traka Resources Ltd	100
EL	69/2618	Mt Blyth	Traka Resources Ltd	100

# Schedule of Tenements

Tenement Type	Tenement Number	Project	Registered Holder	Traka % Interest
ELA	69/2623	Mt Blyth	Traka Resources Ltd	100
ELA	69/2627	Mt Blyth	Traka Resources Ltd	100
ELA	69/2647	Mt Blyth	Traka Resources Ltd	100
ELA	69/2648	Mt Blyth	Traka Resources Ltd	100
ELA	69/2651	Mt Blyth	Traka Resources Ltd	100
ELA	69/2652	Mt Blyth	Traka Resources Ltd	100
ELA	69/2747	Mt Blyth (Amex JV)	Traka Resources Ltd & Amex Resources Ltd	90
ELA	69/2749	Mt Blyth	Traka Resources Ltd	100
ELA	69/2804	Mt Blyth	Traka Resources Ltd	100
ELA	69/2805	Mt Blyth	Traka Resources Ltd	100
ELA	74/0332	Ravensthorpe	Traka Resources Ltd	100
EL	74/0378	Ravensthorpe	Traka Resources Ltd	100
EL	74/0379	Ravensthorpe	Traka Resources Ltd	100
EL	74/0401	Ravensthorpe (Galaxy JV)	Galaxy Lithium Australia Ltd & Traka Resources Ltd	20
EL	74/0408	Ravensthorpe (Tectonic JV)	Traka Resources Ltd	100
EL	74/0439	Ravensthorpe	Traka Resources Ltd	100
EL	74/0448	Ravensthorpe (Tectonic JV)	Traka Resources Ltd	100
ML	74/0082	Ravensthorpe	Traka Resources Ltd	100
ML	74/0083	Ravensthorpe	Traka Resources Ltd	100
ML	74/0084	Ravensthorpe	Traka Resources Ltd	100
ML	74/0085	Ravensthorpe	Traka Resources Ltd	100
ML	74/0106	Ravensthorpe	Traka Resources Ltd	100
PL	74/0262	Ravensthorpe	Traka Resources Ltd	100
PL	74/0263	Ravensthorpe	Traka Resources Ltd	100

# Schedule of Tenements

Tenement Type	Tenement Number	Project	Registered Holder	Traka % Interest
PL	74/0264	Ravensthorpe	Traka Resources Ltd	100
PL	74/0265	Ravensthorpe (Tectonic JV)	Traka Resources Ltd	100
PL	74/0266	Ravensthorpe (Tectonic JV)	Traka Resources Ltd	100
PL	74/0267	Ravensthorpe (Tectonic JV)	Traka Resources Ltd	100
PL	74/0268	Ravensthorpe (Tectonic JV)	Traka Resources Ltd	100
PL	74/0269	Ravensthorpe	Traka Resources Ltd	100
PL	74/0270	Ravensthorpe	Traka Resources Ltd	100
PL	74/0271	Ravensthorpe (Tectonic JV)	Traka Resources Ltd	100
PL	74/0272	Ravensthorpe	Traka Resources Ltd	100
PL	74/0273	Ravensthorpe (Tectonic JV)	Traka Resources Ltd	100
PL	74/0274	Ravensthorpe	Traka Resources Ltd	100
PL	74/0275	Ravensthorpe	Traka Resources Ltd	100
PL	74/0279	Ravensthorpe	Traka Resources Ltd	100
PL	74/0280	Ravensthorpe	Traka Resources Ltd	100
PL	74/0281	Ravensthorpe	Traka Resources Ltd & KH Piper	90
PL	74/0293	Ravensthorpe	Traka Resources Ltd	100
PL	74/0295	Ravensthorpe	Traka Resources Ltd & KH Piper	90
PL	74/0296	Ravensthorpe	Traka Resources Ltd & J H Kelly	90
PL	74/0297	Ravensthorpe	Traka Resources Ltd & J H Kelly	90
PL	74/0298	Ravensthorpe	Traka Resources Ltd & KH Piper	90
PL	74/0309	Ravensthorpe (Galaxy JV)	Galaxy Lithium Australia Ltd & Traka Resources Ltd	20
PL	74/0310	Ravensthorpe (Galaxy JV)	Galaxy Lithium Australia Ltd & Traka Resources Ltd	20

EL	Exploration Licence	ELA	Exploration Licence Application
ML	Mining Licence	MLA	Mining Licence Application
PL	Prospecting Licence	PLA	Prospecting Licence Application



# Directors' Report

## For the year ended 30 June 2010

Your Directors present their report on Traka Resources Limited ("Traka" or the "Company") for the year ended 30 June 2010.

### 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

Traka continued to expose its land holding to exploration for base metals, platinum group elements and gold during the year. The Company's main areas of interest are in the Musgrave Area of Western Australia and the Ravensthorpe Nickel Project.

Exploration of Traka's extensive tenement package in the Musgrave area is split between those tenements which are the subject of a joint venture with a subsidiary of Anglo American Corporation and those being explored by Traka itself on a 100% basis.

#### **The Musgrave Project in Joint Venture with Anglo American (Anglo American earning up to 75%)**

Anglo American steadily advanced geological, geochemical and geophysical programs on the joint venture tenements with a Reverse Circulation ("RC") drilling program commencing late in the year. This program aimed to test the Navigator Prospect and then three other targets.

The Spectrem EM aerial survey has been fully processed with seven targets highlighted for follow-up exploration work. Four of the seven Spectrem targets are currently being evaluated by drilling while the other three occur in exploration licences which are currently the subject of access negotiations with the Ngaanyatjarra Council and the Traditional Aboriginal owners. Spectrem targets that look promising are firstly tested with higher resolution and more powerful ground EM systems, geological investigations and geochemical sampling where appropriate.

Reconnaissance auger geochemical sampling programs also continued during the year. The assay data from the most recently completed programs is awaited.

#### **The Musgrave Project - Traka 100%**

Exploration programs comprising auger drilling and geological and geochemical surveys commenced on schedule in April. Good progress was achieved and over 3,000 geochemical and rock-chip samples were collected during the year. Significant assay results were received leading to infill drilling ahead of possible RC drilling in 2011.

# Directors' Report

## For the year ended 30 June 2010

### REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (continued)

#### The Ravensthorpe Project

##### Mt Short

A 5 hole Reverse Circulation ("RC") drilling program on the Mt Short Lead surface geochemical anomaly revealed the presence of a large mineralised lead, zinc and copper supergene blanket over a mixed sequence of weathered sedimentary and volcanic rocks. The indicated potential is sufficiently encouraging to lead to further exploration evaluation now being scheduled for the coming summer period after harvesting has been completed.

##### Nickel Exploration

The Company has been successful in receiving a \$150,000 grant from the Royalties for Regions Exploration Incentive Scheme. This grant can be drawn upon to fund 50% of direct drilling costs for a program of drilling on the Ravensthorpe Nickel Project. In the Ravensthorpe area the Company joint ventured two blocks of tenements to Galaxy Resources and Tectonic Resources. In both cases Traka is currently free carried.

The Company made a net loss for the financial year of \$995,578 (2009: \$770,542.)

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the operating results and the issue of 14,131,945 new shares pursuant to a one-for-two rights issue to raise \$2,119,792 before costs, there were no significant changes in the state of affairs of the Company during the year.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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 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.

# Directors' Report

## For the year ended 30 June 2010

### INFORMATION RELATING TO DIRECTORS

#### Chairman

Neil Tomkinson LLB (Hons)

Mr Tomkinson has extensive experience extending over the last 30 years in the administration of and investment in exploration and mining companies. He is the non-executive chairman of Hampton Hill Mining NL (appointed January 1997), Red Hill Iron Limited (appointed April 2008) and Pan Pacific Petroleum NL (appointed a director in June 2006 and chairman in December 2008). Mr Tomkinson is an investor in private mineral exploration and in resources in general in Australia.

#### Managing Director

Patrick Verbeek BSc, AusIMM

Patrick Verbeek is a geologist with over 28 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.

#### Non Executive Directors

George Petersons

Mr Petersons is an experienced prospector with a long history of identifying and acquiring prospective exploration and ground packages. 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.

Joshua Pitt BSc, MAusIMM

Mr Pitt is a geologist with substantial exploration experience who has, for more than 30 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 was a non-executive director of LionOre Mining International Limited between November 2003 and May 2005 and is currently a non-executive director of Hampton Hill Mining NL (appointed January 1997), Red Metal Limited (appointed July 2003), Red Hill Iron Ltd (appointed June 2005), and Pan Pacific Petroleum NL (appointed December 2008).

### INFORMATION RELATING TO COMPANY SECRETARY

Peter Campbell Ruttledge BSc, CA, FFin

Mr Ruttledge is a Chartered Accountant and a Fellow of The Financial Services Institute of Australia and has over 25 years experience as company secretary of a number of listed mining and exploration companies.

# Directors' Report

## For the year ended 30 June 2010

### DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The number of shares and options in the Company held directly and indirectly by the Directors as at the date of this report were:

	Ordinary Shares	Options over Ordinary Shares
N Tomkinson	5,720,470	-
P A Verbeek	2,499,999	3,000,000
G J Petersons	1,500,000	-
J N Pitt	7,100,000	-

### DIRECTORS' MEETINGS

The following directors' meetings were held during the year and the number of meetings attended by each of the directors during the year was:

	Meetings of Directors	Meetings attended
N Tomkinson	5	5
P A Verbeek	5	5
G J Petersons	5	5
J N Pitt	5	5

# Directors' Report

For the year ended 30 June 2010

## REMUNERATION REPORT - AUDITED

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

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

The Board remuneration policy is to ensure remuneration packages properly reflect the duties and responsibilities of the person concerned and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. 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 in the following ways:

- Focuses on sustained growth in share price, as well as focusing the executive on key non-financial drivers of value; and
- Attracts and retains high calibre executives.

The remuneration framework has regard to executives' interests in the following ways:

- Rewards capability and experience;
- Reflects competitive reward for contributions in shareholder growth;
- Provides a clear structure for earning rewards; and
- Provides recognition for 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.

### *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) and are set fee amounts with prescribed superannuation if applicable.

### *Executives*

The remuneration of the managing director 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 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.

The remuneration of the company secretary, Mr Peter Rutledge, is by way of fees paid to Sable Management Pty Ltd for company secretarial, accounting and administration services provided to the Company, and invoiced on an hourly basis. The directors regularly review the services provided and the hourly rate charged.

# Directors' Report

## For the year ended 30 June 2010

### REMUNERATION REPORT - AUDITED (continued)

#### (B) Details of Remuneration

The key management personnel of the Company are the Directors. The remuneration of key management personnel and other specified executives for the year is summarised below:

	Short Term Salary & fees	Post Employment Superannuation	Share Based Payments Options	Total	Value of options as proportion of remuneration	Performance Related
	\$	\$	\$	\$	%	%
<b>2010</b>						
<b>Non-executive Directors</b>						
N Tomkinson	20,000	1,800	-	21,800	-	-
J N Pitt	20,000	1,800	-	21,800	-	-
G J Petersons	20,000	1,800	-	21,800	-	-
<b>Managing Director</b>						
P A Verbeek	240,000	-	-	240,000	-	-
	300,000	5,400	-	305,400	-	-
<b>Other specified executives</b>						
P C Ruttledge	49,002	-	-	49,002	-	-
<b>Total</b>	49,002	-	-	49,002	-	-
<b>2009</b>						
<b>Non-executive Directors</b>						
N Tomkinson	20,000	1,800	-	21,800	-	-
J N Pitt	20,000	1,800	-	21,800	-	-
G J Petersons	20,000	1,800	-	21,800	-	-
<b>Managing Director</b>						
P A Verbeek	240,000	-	32,900	272,900	12.05	-
	300,000	5,400	32,900	338,300	-	-
<b>Other specified executives</b>						
P C Ruttledge	48,000	-	-	48,000	-	-
	48,000	-	-	48,000	-	-

No part of the remuneration of directors and other specified executives is contingent on the performance of the Company.

# Directors' Report

## For the year ended 30 June 2010

### REMUNERATION REPORT - AUDITED (continued)

#### (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 2 years at the consultant's election. The current term expires November 2011. The current level of remuneration in terms of this agreement is set at \$240,000 (including compensation for the provision of a 4 wheel drive 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.

##### *Company Secretary*

The Company entered into a consultancy agreement with Sable Management Pty Ltd ("Sable") on 11 September 2006 ("Sable Agreement"). In accordance with the terms of the Sable Agreement, Sable has agreed to provide the services of its employee, Peter Ruttledge, to undertake all functions, duties, roles and authorities which the Company would require of a person engaged as Company Secretary of the Company as well as accounting and financial control services. The Sable Agreement commenced on 13 September 2006 with no fixed term and can be cancelled on 2 months notice by either party. There are no termination arrangements in respect of the Sable Agreement.

#### (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. 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 continuity of performance and provide additional incentive to the key management personnel to increase shareholder wealth. 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.

No options were issued to directors or other Company executives during the year ended 30 June 2010.

##### *Share based compensation options*

No remuneration options were granted during the financial year.

##### *Shares provided on exercise of remuneration options*

During the financial year there were no shares issued as a result of the exercise of remuneration options.

This is the end of the audited Remuneration Report

# Directors' Report

## For the year ended 30 June 2010

### SHARES UNDER OPTION

The number of options on issue is:

Date option granted	Expiry date	Issue price of shares	Number under options
29 November 2005	29 November 2010	20 cents	1,000,000
28 December 2006	28 December 2011	20 cents	1,000,000
6 April 2007	6 April 2012	25 cents	150,000
10 December 2008	10 December 2011	10 cents	1,000,000

### SHARES ISSUED ON EXERCISE OF OPTIONS

No options were exercised during the financial year.

### 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

### NON-AUDIT SERVICES

BDO Audit (WA) Pty Ltd, the company's auditor, did not perform any non-audit services for the company for the year ended 30 June 2010.

### AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

### 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 Annual Report.

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



NEIL TOMKINSON  
Chairman

Dated this 28th day of September 2010



# Statement of Comprehensive Income

For the year ended 30 June 2010

	Notes	2010 \$	2009 \$
Revenue from continuing operations	4	21,782	37,061
Other Income	4	101,822	85,717
Exploration and evaluation expenditure	10	(611,792)	(359,774)
Administration expenses	5	(507,390)	(533,546)
<b>Loss before income tax</b>		<b>(995,578)</b>	<b>(770,542)</b>
Income tax expense	6	-	-
<b>Loss for the year</b>		<b>(995,578)</b>	<b>(770,542)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year attributable to the ordinary equity holders of the Company</b>		<b>(995,578)</b>	<b>(770,542)</b>
<b>Loss per share for loss attributable to the ordinary equity holders of the Company</b>		<b>cents</b>	<b>cents</b>
Basic and diluted loss per share	23	(2.12)	(1.72)

# Statement of Financial Position

As at 30 June 2010

	Notes	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	<b>1,616,232</b>	408,252
Trade and other receivables	8	<b>65,005</b>	35,850
<b>Total current assets</b>		<b>1,681,237</b>	444,102
<b>Non-current assets</b>			
Plant and equipment	9	<b>54,206</b>	64,658
<b>Total non-current assets</b>		<b>54,206</b>	64,658
<b>Total assets</b>		<b>1,735,443</b>	508,760
<b>Current liabilities</b>			
Trade and other payables	11	<b>162,845</b>	50,202
Provisions	12	<b>3,615</b>	1,528
<b>Total current liabilities</b>		<b>166,460</b>	51,730
<b>Total liabilities</b>		<b>166,460</b>	51,730
<b>Net assets</b>		<b>1,568,983</b>	457,030
<b>Equity</b>			
Contributed equity	13	<b>8,529,410</b>	6,421,879
Reserves	14	<b>245,580</b>	245,580
Accumulated losses		<b>(7,206,007)</b>	(6,210,429)
<b>Total equity</b>		<b>1,568,983</b>	457,030

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 2010

	Issued Capital	Share based payments reserve	Accumulated losses	Total Equity
<b>2010</b>				
As at 1 July 2009	6,421,879	245,580	(6,210,429)	457,030
Loss for the year	-	-	(995,578)	(995,578)
Total comprehensive loss for the year	-	-	(995,578)	(995,578)
Transactions with equity holders in their capacity as equity holders:				
Issue of ordinary fully paid shares net of transaction cost	2,107,531	-	-	2,107,531
Issue of options	-	-	-	-
<b>As at 30 June 2010</b>	<b>8,529,410</b>	<b>245,580</b>	<b>(7,206,007)</b>	<b>1,568,983</b>
<b>2009</b>				
As at 1 July 2008	6,421,879	212,680	(5,439,887)	1,194,672
Loss for the year	-	-	(770,542)	(770,542)
Total comprehensive loss for the year	-	-	(770,542)	(770,542)
Transactions with equity holders in their capacity as equity holders:				
Issue of ordinary fully paid shares	-	-	-	-
Issue of options	-	32,900	-	32,900
<b>As at 30 June 2009</b>	<b>6,421,879</b>	<b>245,580</b>	<b>(6,210,429)</b>	<b>457,030</b>

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 2010

	Notes	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Interest received		10,068	36,758
Receipts from sublease of premises		108,979	76,127
Payments to suppliers and employees		(452,649)	(481,686)
Payments for exploration activities		(739,567)	(814,800)
Recovery of exploration expenditure		185,283	457,118
Payment for security deposit		(14,000)	-
Recovery of security deposit		14,000	-
		<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	22	<b>(887,886)</b>	(726,483)
<b>Cash flows from investing activities</b>			
Payments for plant & equipment		(11,665)	(11,043)
Proceeds from disposal of motor vehicle		-	55,155
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(11,665)</b>	44,112)
<b>Cash flows from financing activities</b>			
Proceeds from share issue		2,119,792	-
Payment for share issue costs		(12,261)	-
Proceeds from loan facility		250,000	-
Repayment of loan facility		(250,000)	-
		<hr/>	<hr/>
<b>Net cash inflow from financing activities financial year</b>		<b>2,107,531</b>	-
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>1,207,980</b>	(682,371)
Cash and cash equivalents at the beginning of the financial year		408,252	1,090,623)
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>1,616,232</b>	408,252

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 2010

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

### (a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

#### *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Traka Resources Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *Reporting basis and conventions*

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

#### *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. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### (b) Segment reporting

The Company has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting and requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting to the chief operating decision maker, which has been identified by the Company as the Board of Directors. There has been no impact on the measurement of the Company's assets and liabilities.

### (c) Presentation of financial statements

The Company has applied AASB 101 Presentation of Financial Statements, which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. This presentation has been applied in the full year financial statements ended 30 June 2010. Comparative information has been re-presented so that it also is in conformity with the revised standard.

# Notes to the Financial Statements

For the year ended 30 June 2010

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Income tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is the tax payable on current period's taxable income based on national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the balance sheet 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 income 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 profit or loss.

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 profit and loss except where it relates to items that may be credited directly to equity or comprehensive income, in which case the deferred tax is adjusted against other comprehensive income or directly against equity.

Deferred income 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.

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 Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### (e) 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 the profit or loss account.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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.

### (f) Cash and cash equivalents

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

### (g) Financial assets and liabilities

#### *Recognition*

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 below.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

# Notes to the Financial Statements

## For the year ended 30 June 2010

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Financial assets and liabilities (continued)

##### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

##### *Impairment*

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

#### (h) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest.

Expenditure incurred during exploration and the early stages of evaluation of new 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.

Accumulated costs in relation to an abandoned area are written off in full against the Statement of Comprehensive Income in the year in which the decision to abandon the area is made.

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.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

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 have been 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.

#### (i) Plant & equipment

##### *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.

# Notes to the Financial Statements

For the year ended 30 June 2010

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Plant & equipment (continued)

#### *Depreciation*

Depreciation is calculated on a straight line basis so as to write off the net cost or re-valued 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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date and assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

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

### (j) Trade and other payables

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.

### (k) 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 creditors 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.

#### *Share based payments*

The Company provides benefits to employees, including directors, in the form of share-based payment transactions, whereby employees are provided with incentives via grants of options. The cost of these transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity based compensation benefits is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of directors of the Company, will ultimately vest. This opinion is formed based on the best available information. Where options are cancelled or lapsed they are treated as if they had vested.

### (l) Contributed equity

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.

### (m) Loss per share

#### *Basic loss per share*

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*

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.



# Notes to the Financial Statements

## For the year ended 30 June 2010

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) **Joint ventures**

The Company's joint ventures 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 joint ventures 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 joint ventures do not hold any assets and accordingly the company's share of exploration expenditure is accounted for in accordance with the policy set out in Note 1(h).

(o) **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 this case 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. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flow.

# Notes to the Financial Statements

For the year ended 30 June 2010

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### New accounting standards and interpretations

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	Affected Standards	Nature of change to accounting policy and impact on accounts	Application date
AASB 124	Related Party Disclosures	There will be no financial impact when these amendments are first adopted because these amendments related to additional disclosure requirements only.	1 January 2011
AASB 9	Financial Instruments	The company has not yet determined the extent of the impact of the amendments, if any.	30 June 2014
AASB 2009-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Process (AASB 5, 107 and 136)	There will be no financial impact when these amendments are first adopted because these amendments relate to additional disclosure requirements only.	1 January 2010
	AASB 101 – Presentation of financial statements	Initial adoption will have no impact as the company does not have any current liabilities where the counter party has the option to have the liabilities settled by the issue of equity instruments.	
	AASB 107 – Statement of cash flows	Initial adoption will have no impact as the company only recognises cash flows from investing activities for expenditures that result in a recognised asset in the statement of financial position.	
	AASB 136 – Impairment of assets	There will be no impact as these requirements are only required to be applied prospectively to goodwill impairment calculations.	
Amendments to International Financial Reporting Standards (IFRS)	Amendments to International Financial Reporting Standards IFRS 7 Financial Instruments Disclosures	Initial adoption will have no impact on amounts recognised in financial statements as the amendments result in fewer disclosures only.	1 January 2011

# Notes to the Financial Statements

## For the year ended 30 June 2010

### NOTE 2. FINANCIAL RISK MANAGEMENT

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

#### Market 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.

Bank deposits at call, amounting to \$1,600,000 (2009: \$225,000) of which \$1,200,000 matures within 69 days of balance date and \$400,000 within 7 days of balance date.

The weighted average interest rate to which the Company was exposed on its cash assets at the year-end was 5.28% (2009: 3.33%).

The table below 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. Whilst this analysis reflects the effect of a 1% decline in interest rates, recent Australian Treasury announcements and press reports would indicate a downward movement in interest rates of this magnitude to be unlikely over the next 12 months.

Financial Assets	Carrying amount of cash assets	Effect of increase or decrease of interest rate on profit and equity of the Company			
		-1%		+1%	
		Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
<b>2010</b>					
Cash and cash equivalents	<b>1,616,232</b>	-	-	-	-
Total increase/(decrease)		<b>(16,162)</b>	<b>(16,162)</b>	<b>(16,162)</b>	<b>(16,162)</b>
<b>2009</b>					
Cash and cash equivalents	408,252	-	-	-	-
Total increase/(decrease)		(4,083)	(4,083)	4,083	4,083

#### 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..

#### 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. The Company manages its minimal exposure to credit risk from its other receivables by ensuring prompt collection of those receivables.

# Notes to the Financial Statements

For the year ended 30 June 2010

## NOTE 2. FINANCIAL RISK MANAGEMENT (continued)

Exposure to Credit risk	Closing carrying amount	
	2010	2009
	\$	\$
Cash & cash equivalents	1,616,232	408,252
Trade & other receivables	65,005	35,850

### Fair value estimates

The carrying amount of the Company's financial assets and liabilities approximates fair value due to their short-term maturity.

### Capital management risk

The Company's objective in managing capital 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 joint venture its projects.

## NOTE 3. SEGMENT INFORMATION

The Management of Traka Resources Limited has determined that the Company has one reportable operating segment, being mineral exploration within Western Australia. The Board monitors the Company based on actual versus budgeted exploration expenditure. This internal reporting framework is the most relevant to assist the Board with making decisions regarding its ongoing exploration activities.

	2010	2009
	\$	\$
Reportable segment assets	54,206	64,658
Reportable segment loss	(611,792)	(359,775)
<b>Reconciliation of reportable segment loss</b>		
Reportable segment loss	(611,792)	(359,775)
Other profit	123,604	122,778
Unallocated: Corporate expenses	(507,390)	(533,545)
Loss before tax	(995,578)	(770,542)

## NOTE 4. REVENUE AND OTHER INCOME

### Revenue from continuing operations

Interest received	21,782	37,061
Other income	101,882	85,717

Other income constitutes income from sublease of office premises, geological and administrative services on normal commercial terms and conditions

# Notes to the Financial Statements

For the year ended 30 June 2010

	2010	2009
	\$	\$
<b>NOTE 5. EXPENSES</b>		
<b>Loss before income tax includes the following specific administration expenses:</b>		
Personnel expenses		
Salaries, superannuation and associated expenses	<b>133,356</b>	119,151
Share based payments	-	32,900
Depreciation	<b>22,116</b>	43,609
Other Expenses		
Management fee	<b>63,143</b>	83,442
Rental and rates (office, storage, parking)	<b>121,368</b>	96,995
Company secretarial and accounting	<b>49,002</b>	48,000
Insurance	<b>18,648</b>	14,180
Audit and tax	<b>21,426</b>	20,787
Communications	<b>15,681</b>	17,499
ASX fees	<b>10,820</b>	12,120
Other	<b>51,830</b>	44,863
	<b>507,390</b>	533,546

## NOTE 6. INCOME TAX

(a) Income tax expense	-	-
(b) Loss from continuing operations before income tax	<b>(995,578)</b>	(770,542)
Tax at the Australian tax rate of 30%	<b>(298,673)</b>	(231,163)
Tax effect of amounts that are taxable/( deductible) in calculating taxable income:		
Employee share scheme	-	9,870
Entertainment	-	20
Prior year adjustment	-	(10,189)
Capital raising costs	<b>(1,520)</b>	(785)
Deferred tax assets relating to tax losses and temporary differences not recognised	<b>300,194</b>	232,246
Income tax expense	-	-

The franking account balance at year end was nil. (2009: nil)

# Notes to the Financial Statements

For the year ended 30 June 2010

2010  
\$

2009  
\$

## NOTE 6. INCOME TAX (continued)

(c) Deferred tax assets and liabilities not recognised relate to the following:

### Deferred tax assets

Tax losses	<b>2,198,837</b>	1,897,248
Other temporary differences	<b>8,694</b>	6,308

### Deferred tax liabilities

Other temporary differences	<b>(3,781)</b>	-
Net deferred tax assets - unrecognised	<b>2,203,750</b>	1,903,556

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

## NOTE 7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and on hand	<b>16,232</b>	183,252
Deposits at call	<b>1,600,000</b>	225,000
	<b>1,616,232</b>	408,252

Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 2.

## NOTE 8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

Trade receivables	-	24,490
Interest	<b>12,602</b>	888
Other	<b>38,403</b>	10,472
Security deposit	<b>14,000</b>	-
	<b>65,005</b>	35,850

Interest receivables comprise pro-rata interest receivable at balance date in respect of deposits at call which are expected to be repaid within 90 days. Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 2. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The security deposit is held with the bank as security for a Department of Mines and Petroleum bond issued by the bank on behalf of the Company.

No trade or other receivables are considered impaired or past due.

# Notes to the Financial Statements

For the year ended 30 June 2010

2010	2009
\$	\$

## NOTE 9. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

Plant and equipment at cost	<b>196,382</b>	184,718
Accumulated depreciation	<b>(142,176)</b>	(120,060)
	<b>54,206</b>	64,658

### Reconciliation

Reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below.

### Plant and equipment

Carrying amount at the beginning of the year	<b>64,658</b>	142,790
Additions	<b>11,664</b>	11,042
Disposals	-	(45,564)
Depreciation expense	<b>(22,116)</b>	(43,609)
Carrying amount at the end of the year	<b>54,206</b>	64,658

## NOTE 10. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION COSTS CARRIED FORWARD

Balance at the beginning of the year	-	-
Costs incurred net of recoveries during the financial year	<b>611,792</b>	359,774
Costs expensed during the financial year	<b>(611,792)</b>	(359,774)
Balance at the end of the year	-	-

## NOTE 11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Trade creditors and accruals	<b>136,106</b>	34,354
Employee entitlements	<b>26,739</b>	15,848
	<b>162,845</b>	50,202

The Company's exposure to liquidity risk related to trade and other payables is disclosed in Note 2.

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.

# Notes to the Financial Statements

For the year ended 30 June 2010

2010  
\$

2009  
\$

## NOTE 12. CURRENT LIABILITIES – PROVISIONS

Employee entitlements	<b>3,615</b>	1,528
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The current provision for employee entitlements relates to long service leave and includes all unconditional entitlements where employees have completed the required minimum period of service and those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current as the Company does not have an unconditional right to defer settlement.

## NOTE 13. EQUITY – CONTRIBUTED EQUITY

### (a) Share capital

Fully paid ordinary shares – 58,914,147 (2009: 44,782,202)	<b>8,529,410</b>	6,421,879
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### (b) Movements in ordinary share capital in the last 2 years

Date	Details	Number of Shares	\$
<b>2010</b>			
1 July 09	Balance	44,782,202	6,421,879
	Issue of ordinary shares	14,131,945	2,119,792
	Capital raising costs	-	(12,261)
30 June 10	Balance	<b>58,914,147</b>	<b>8,529,410</b>
<b>2009</b>			
01 July 08	Balance	44,782,202	6,421,879
	No movement	-	-
30 June 09	Balance	44,782,202	6,421,879

### (c) Share Options

	No. of Ordinary Shares subject to option	Expiry Date	Exercise Price
Employee	1,000,000	29 November 2010	20 cents
Employee	1,000,000	28 December 2011	20 cents
Employee	50,000	6 April 2012	25 cents
Consultant	100,000	6 April 2012	25 cents
Employee	1,000,000	10 December 2011	10 cents



# Notes to the Financial Statements

## For the year ended 30 June 2010

### NOTE 13. EQUITY – CONTRIBUTED EQUITY (continued)

#### (d) Movements in number of options during the past 2 years

Date	Details	No. of Options	Exercise Price
<b>2010</b>			
01 July 09	Balance	3,150,000	-
	No movement	-	
30 June 10	Balance	<b>3,150,000</b>	-
<b>2009</b>			
01 July 08	Balance	4,250,000	-
10 Oct 08	Options expired/lapsed	(2,100,000)	-
10 Dec 08	Options issued	1,000,000	10 cents
30 June 09	Balance	3,150,000	-

#### (e) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the 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.

<b>2010</b>	2009
<b>\$</b>	\$

### NOTE 14. EQUITY – RESERVES

Share based payments reserve	<b>245,580</b>	245,580
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#### *Nature and purpose of reserves*

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

### NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES

#### (a) Key management personnel compensation

Short term employee benefits	<b>300,000</b>	286,667
Post employment benefits	<b>5,400</b>	5,400
Share based payments	-	32,900
	<b>305,400</b>	338,300

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 2010

## NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

### (b) Equity instruments relating to key management personnel

#### Shareholdings

The numbers of shares in the Company held during the financial year by each director and other key management personnel, including those held by their personally related entities, are set out below. There were no shares granted during the reporting period as compensation.

	Balance at beginning of year	Received as remuneration	Options exercised	Net changes other	Balance at end of year
<b>2010</b>					
<i>Directors</i>					
N Tomkinson	3,813,647	-	-	1,906,823	5,720,470
P A Verbeek	1,916,666	-	-	583,333	2,499,999
J N Pitt	4,729,632	-	-	2,370,368	7,100,000
G J Petersons	1,750,000	-	-	(250,000)	1,500,000
<b>2009</b>					
<i>Directors</i>					
N Tomkinson	3,766,299	-	-	-	3,813,647
P A Verbeek	1,916,666	-	-	-	1,916,666
J N Pitt	4,729,632	-	-	-	4,729,632
G J Petersons	1,750,000	-	-	-	1,750,000

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 12,820,470 shares (2009: 8,543,279 shares)

# Notes to the Financial Statements

For the year ended 30 June 2010

## NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

### (b) Equity instruments relating to key management personnel (continued)

#### Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with the terms and conditions of the options, can be found in the Directors' Report.

#### Option holdings

	Balance at the beginning of the year	Granted during year as compensation	Expired/ Exercised during year	Balance at the end of the year	Vested and exercisable at the end of the year
<b>2010</b>					
<i>Directors</i>					
N Tomkinson	-	-	-	-	-
P A Verbeek	3,000,000	-	-	3,000,000	3,000,000
J N Pitt	-	-	-	-	-
G J Petersons	-	-	-	-	-
<b>2009</b>					
<i>Directors</i>					
N Tomkinson	-	-	-	-	-
P A Verbeek	4,000,000	1,000,000	(2,000,000)	3,000,000	3,000,000
J N Pitt	-	-	-	-	-
G J Petersons	-	-	-	-	-

### (c) Loans to key management personnel

There are no loans made to directors or other key management personnel of the Company.

### (d) Other transactions with key management personnel

There are no other transactions with key management personnel other than as disclosed in Note 19.

# Notes to the Financial Statements

For the year ended 30 June 2010

## NOTE 16. REMUNERATION OF AUDITORS

	2010	2009
	\$	\$
<i>Audit Services</i>		
Fees paid to BDO Kendalls Audit & Assurance (WA) Pty Ltd		
Amounts paid or payable to the auditors for:		
- Auditing the financial reports of the company	21,426	20,787
Total remuneration	21,426	20,787

## NOTE 17. CONTINGENCIES

There are no contingent liabilities for termination benefits under service agreements with directors or executives at 30 June 2010.

The Directors are not aware of any other contingent liabilities at 30 June 2010.

## NOTE 18. 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	100,000	54,054
Later than one year but not later than five years	91,667	-
Later than five years	-	-
	191,667	54,054

Representing:

Minimum lease payments in relation to non-cancellable operating leases	191,667	54,054
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### Exploration tenements

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

Minimum estimated expenditure requirements	1,128,734	847,948
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These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

# Notes to the Financial Statements

For the year ended 30 June 2010

## NOTE 18. COMMITMENTS (continued)

	2010	2009
	\$	\$
<b>Remuneration commitments</b>		
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	240,000	73,333
Later than one year but not later than five years	80,000	-
Later than five years	-	-
	<b>320,000</b>	<b>73,333</b>

## NOTE 19. RELATED PARTY TRANSACTIONS

### Directors of Traka Resources Limited during the financial year were:

Neil Tomkinson  
Patrick Verbeek  
George Petersons  
Joshua Pitt

Disclosures relating to directors and key management personnel are set out in the Directors' Report and in Note 15

### Other related party transactions

The Company has an agreement with Red Hill Iron Ltd ("Red Hill"), a company of which Mr Pitt and Mr Tomkinson are directors, whereby Red Hill pays rent for use of office space, geological and administrative services to Traka on normal commercial terms and conditions. Amounts received from Red Hill totalled \$92,175 (2009: \$64,422)

On 3 November 2009, two companies associated with two of the Company's directors made binding offers to provide a short term unsecured loan facility of \$500,000 to the Company for a period of six months from the first drawdown. The interest on the loan is 5% per annum. The Company made three draw-downs totalling \$250,000 between January to April 2010. The full amount of the loan draw-down plus interest (\$2,271) was repaid on the 7 May 2010.

The Company paid Tim Verbeek, son of the Company's Managing Director, \$810 (2009 \$Nil) for his services as a field assistant.

There are no other related party transactions other than those relating to directors' remuneration.

# Notes to the Financial Statements

For the year ended 30 June 2010

## NOTE 20. INTERESTS IN JOINT VENTURES

The Company has interests in the following mineral exploration joint ventures as at 30 June 2010

Name of project	Interest	Activities	Other Parties
Musgrave Project	100%	Gold, PGE, nickel and copper exploration	Anglo American (Australia) Pty Ltd (Anglo earning up to 75%)
Musgrave Project	90%	Gold and base metal exploration	Polaris Metals NL (Polaris free carried 10%)
Musgrave Project	0%	Gold and base metal exploration	Sammy Resources (Traka earning up to 90%)
Ravensthorpe Project	20%	Gold and base metal exploration	Galaxy Resources (Traka 20% free carried to production)
Ravensthorpe Project	30%	Gold and base metal exploration	Tectonic Resources NL (Tectonic earning up to 70%)

The Company's joint ventures do not constitute separate legal entities but are contractual agreements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit. Refer note 1(n).

## NOTE 21. EVENTS OCCURRING AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which have significantly affected, or may affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to the financial year ended 30 June 2010.

## NOTE 22. CASH FLOW INFORMATION

	2010	2009
	\$	\$
Reconciliation of operating loss after income tax to net cash used in operating activities:		
Operating loss after income tax	<b>(995,578)</b>	(770,542)
Depreciation	<b>22,116</b>	43,609
Non-cash employee benefit expense	-	32,900
Gain on disposal of assets	-	(9,590)
(Increase)/decrease in receivables	<b>(9,865)</b>	(11,431)
(Decrease)/increase in payables and provisions	<b>95,441</b>	(11,429)
Net cash outflow from operating activities	<b>(887,886)</b>	(726,483)

# Notes to the Financial Statements

## For the year ended 30 June 2010

### NOTE 23. LOSS PER SHARE

	<b>2010</b>	2009
	<b>Cents</b>	Cents
Basic and diluted loss per share	<b>(2.12)</b>	(1.72)
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 Comprehensive Income	<b>\$</b>	\$
	<b>(995,578)</b>	(770,542)
	<b>No of Shares</b>	No of Shares
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted loss per share	<b>46,917,523</b>	44,782,2022

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

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 24. SHARE BASED PAYMENTS

#### Traka Resources Limited Employee Share Option Plan

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. 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 2010

## NOTE 24. SHARE BASED PAYMENTS (continued)

Set out below is a summary of options granted under the plan:

Grant date	Expiry date	Exercise price	Balance at start date	Granted during the year	Exercised/expired/lapsed during the year	Balance at end of year
			Number	Number	Number	Number
<b>2010</b>						
10 Dec 2008	10 Dec 2011	\$0.10	1,000,000	-	-	1,000,000
6 April 2007	6 April 2012	\$0.25	50,000	-	-	50,000
28 Dec 2006	28 Dec 2011	\$0.20	1,000,000	-	-	1,000,000
29 Nov 2005	29 Nov 2010	\$0.20	1,000,000	-	-	1,000,000
			3,050,000	-	-	3,050,000
Weighted average exercise price			\$0.17	\$0.17	\$0.34	\$0.17
<b>2009</b>						
10 Dec 2008	10 Dec 2011	\$0.10	-	1,000,000	-	1,000,000
6 Apr 2007	6 Apr 2012	\$0.25	100,000	-	(50,000)	50,000
28 Dec 2006	28 Dec 2011	\$0.20	1,000,000	-	-	1,000,000
29 Nov 2005	29 Nov 2010	\$0.20	1,000,000	-	-	1,000,000
5 Feb 2005	31 Dec 2009	\$0.20	50,000	-	(50,000)	-
10 Oct 2003	10 Oct 2008	\$0.35	2,000,000	-	(2,000,000)	-
			4,150,000	1,000,000	(2,100,000)	3,050,000
Weighted average exercise price			\$0.27	\$0.10	\$0.34	\$0.17

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

There were no options granted during the year under the ESOP (2009: \$32,900).

The assessed fair value at grant date of options granted during the year ended 30 June 2009 was \$0.033 per option. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term if the option.



# Notes to the Financial Statements

## For the year ended 30 June 2010

### NOTE 24. SHARE BASED PAYMENTS (continued)

The model inputs for options granted during the years ended 30 June 2009:

Grant date	10 December 2008
Exercise by	10 December 2011
Exercise price per share	10 cents
Expected average life of the options	3 years
Underlying security spot price at time of grant	4.2 cents
Risk free interest rate	3.6%
Expected volatility	150%

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 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.

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	<b>2010</b>	2009
	<b>\$</b>	\$
Options issued under employee option plan	-	32,900

# Directors' Declaration

For the year ended 30 June 2010

The directors of the company declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, 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 2010 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 remuneration disclosures included the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2010, comply with section 300A of the Corporations Act 2001.
4. The directors have been given the declarations by the managing director and chief financial officer required by section 295A of the Corporations Act 2001.
5. 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 28th day of September 2010



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Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

28<sup>th</sup> September 2010

Traka Resources Limited  
The Directors  
Ground Floor  
43 Ventnor Avenue  
WEST PERTH WA 6005

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF TRAKA RESOURCES LIMITED**

As lead auditor of Traka Resources Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Traka Resources Limited.

**Peter Toll**  
Director

BDO

**BDO Audit (WA) Pty Ltd**  
Perth, Western Australia



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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 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1a, 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial report 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 entity'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 opinions.



## 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* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

## Auditor's 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 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (a) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1a.

## Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. 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.

## Auditor's Opinion

In our opinion, the Remuneration Report of Traka Resources Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

**BDO Audit (WA) Pty Ltd**

BDO  


**Peter Toll**  
Director

Perth, Western Australia  
Dated this 28<sup>th</sup> day of September 2010

# Corporate Governance Statement

For the year ended 30 June 2010

The Board of Directors of Traka Resources Limited (the "Company") is responsible for monitoring the business affairs of the Company and protecting the rights and interests of 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 on an ad-hoc basis having regard to any changing circumstances of the Company and the best interests of shareholders. They comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (the 'Principles') as revised and reissued in August 2007.

This statement outlines the Company's approach to corporate governance policy for the financial year ended 30 June 2010. Any documents referenced in this statement as being available on the Company's website can be found on [www.trakaresources.com.au](http://www.trakaresources.com.au).

## 1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

### 1.1 Functions reserved for the Board and those delegated to senior executives

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 has two important areas of interest namely the Musgrave Project and the Ravensthorpe Nickel Project; the Company's main thrust is 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 budget 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 management;
- (e) approval of financial and other periodic reporting requirements;
- (f) approving the risk management strategy and frameworks and monitoring their effectiveness;
- (g) corporate governance systems and practices within the company;
- (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.

Any new directors, who may be appointed to the Board, will be provided with a letter of appointment including their remuneration details together with copies of Company and Board policies, the Constitution and access to prior Board minutes and papers. New directors will also be advised of their confidentiality and disclosure obligations, share trading policy guidelines, indemnity and insurance arrangements.

The Company has not prepared formal letters of appointment for the existing directors of the Board.

#### *Senior executives*

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 implementation of Board and corporate policy and planning in accordance with approved exploration programmes 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 2010

### 1.2 The process for evaluating 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 full Board carries out an annual review of the adequacy of his remuneration and participation in share incentive arrangements.

The Board is responsible for the appointment of the Company Secretary, evaluating his performance on an annual basis and determining his remuneration.

## 2. STRUCTURE THE BOARD TO ADD VALUE

### 2.1 Board members' independence

The Board is made up of 4 Directors only one of whom, Mr G Petersons, is independent in terms of the Relationships affecting Independent Status (the "Categories") in Recommendation 2.1 of the Principles.

The remainder of the Directors on the Board are not independent within the strict meaning of the Categories because Mr P Verbeek is an executive of the Company and Messrs Tomkinson & Pitt are associated with a substantial shareholder in the Company as defined in the Corporations Act. However, 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 Categories and consequently it views a majority of the Directors as independent.

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.

### 2.2 Chairman's independence

As detailed above the chairman is considered to be independent and the Board considers that the Board and shareholder structure of the Company ensure that the chairman effectively acts as an independent director.

### 2.3 Roles of chairman and chief executive officer

The Company has complied with this Principle - the chief executive officer is the Managing Director

#### *Role of the Chairman*

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

While the Managing Director is responsible to the Board as a whole, he also liaises with the Chairman and other Board Members regularly.

### 2.4 The Board should establish a nomination committee

No formal procedure governing the appointment of new Directors has been established. 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.

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 casual vacancy filled between general meetings will be subject to a shareholder vote at the next General Meeting of the Company.

# Corporate Governance Statement

## For the year ended 30 June 2010

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.

### 2.5 Board performance

Due to the size and composition of the Board, the Company does not have a formal process for the performance evaluation of the Board, its committees or individual directors.

Accordingly, no formal performance evaluation for the Board or its members took place in the reporting period.

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

All directors have access to company records and information and receive regular detailed financial and operational reports from management. The Chairman and the other non-executive directors regularly consult with the Managing Director and the Company Secretary and may consult with and request additional information from any employee.

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.

#### *Company Secretary*

The Board is responsible for the appointment of the Company Secretary. The Company Secretary attends all Board meetings and is responsible for providing directors with ongoing guidance and advice on commercial and corporate governance matters. The Company Secretary is also responsible for the preparation of the semi annual and annual accounts.

## 3. PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

### 3.1 Code of conduct

Due to its size, activities, and the number of employees, the Company has not adopted a formal code of conduct, but 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 these disclosures to the Board up-to-date.

### 3.2 Trading in company securities

The Traka Board policy is that directors, officers and employees are prohibited from dealing in the Company's shares when they possess inside information. The Board is to be notified when trading of shares in Traka by any Director or officer of the Company occurs. 'Inside information' is information that, if it were generally available, would or would be likely to influence investors in deciding whether to buy or sell the Company's securities.



# Corporate Governance Statement

## For the year ended 30 June 2010

### 4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

#### 4.1 Audit committee

Traka's Directors do 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; it also maintains an overview of the Company's internal financial control and audit system and risk management systems.

Additionally, on an annual basis, the Board, in line with its overall responsibility to shareholders, 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 General Meeting of the Company.

Corporate governance recommendations 4.2 and 4.3 do not apply as there is no audit committee.

### 5. MAKE TIMELY AND BALANCED DISCLOSURE

#### 5.1 Compliance with ASX disclosure requirements

Detailed compliance procedures, to ensure timely and balanced disclosure of information in line with the Principles have been noted and adopted by the Company. The Company Secretary is charged with ensuring that any necessary steps which need to be taken by the Company are brought before the Board for discussion and, subject to amendment, approval.

The Company Secretary is responsible for non-material and standard form disclosures to the market. In addition he is responsible for communications with the ASX

#### *Commentary on financial results*

The Company provides commentary in conjunction with its half yearly and yearly results in a clear and objective manner to ensure that shareholders and potential shareholders have access to the information needed to make an informed assessment of the Company's activities and results.

### 6. RESPECT THE RIGHTS OF SHAREHOLDERS

#### 6.1 Communication with and participation of Shareholders

The Board aims to ensure that shareholders are fully informed by communicating to shareholders through:

- (a) continuous disclosure reporting to the ASX;
- (b) the quarterly, half yearly and annual reports; and
- (c) media releases copies of which are lodged with ASX and placed on the Company's website, [www.trakaresources.com.au](http://www.trakaresources.com.au).

Shareholders are given the option to receive information such as the Annual Report and Notices of Meeting /Explanatory Memoranda in print or electronic form.

Traka Resources Limited maintains a website at [www.trakaresources.com.au](http://www.trakaresources.com.au) and complies with the continuous disclosure requirements of the ASX Listing Rules. Shareholders may 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 copy of the Company's ASX recent releases.

# Corporate Governance Statement

## For the year ended 30 June 2010

### 7. RECOGNISE AND MANAGE RISK

#### 7.1 Oversight and management of material business risks

The Company has a management policy in place for the identification and effective management of risk. The policy caters for the management of risk by the Board and management being principally the risks involved in exploration for copper, nickel, gold and platinum group elements.

#### 7.2 Design and implementation of systems to manage material business risks

Management has established a register of business risks and identified the material business risks affecting the Company. 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 as and when applicable.

Potential operational risks involved in running the Company are managed by the Board. Due to the size of the Company, the Board does not consider it practicable to establish a separate committee to focus on these issues.

The Company Secretary, who has overall responsibility for the implementation of the policy, reports to the Board on whether those risks are being managed effectively

#### 7.3 Compliance with Corporations Act Section 295A

The Board receives a declaration from the Managing Director and the Company Secretary covering the matters set out in section 295A of the Corporations Act 2001 and in accordance with the terms stipulated in Recommendation 7.3.

### 8. REMUNERATE FAIRLY AND RESPONSIBLY

#### 8.1 Remuneration committee

The Board does not have a separate remuneration committee due to the size of the Board, 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 executive remuneration and incentive policies, as well as superannuation arrangements. In addition, the Board reviews and approves the audited remuneration report set out in the Directors' Report. The Board where needed consults external consultants and specialists.

#### 8.2 Distinguishing remuneration structure

Remuneration for non-executive directors is fixed and non-executive directors do not participate in any incentive plans. Non-executive directors do not receive any retirement benefits, except that, as part of their fixed remuneration, they are paid superannuation. For information about non-executive director remuneration practice, please refer to the audited remuneration report set out in the Directors' Report.

*Managing Director*

For information about the remuneration of the Managing Director, please refer to the audited remuneration report set out in the Directors' Report.

# SHAREHOLDER INFORMATION

As at 24 September 2010

## NUMBER OF EQUITY SECURITIES

	Listed	Not listed
<b>Shares</b>		
Ordinary shares fully paid	58,914,147	-
<b>Options over unissued shares</b>		
Exercisable at 20 cents expiring 29 Nov 2010	-	1,000,000
Exercisable at 10 cents expiring 10 Dec 2011	-	1,000,000
Exercisable at 20 cents expiring 28 Dec 2011	-	1,000,000
Exercisable at 25 cents expiring 6 Apr 2012	-	150,000
	-	3,150,000

## DISTRIBUTION OF SHAREHOLDERS AND OPTION HOLDERS

Holders	Shareholders	Option
1	29	-
1,001	32	-
5,001	51	-
10,001	230	2
100,001+	88	1
	430	3

## MARKETABLE PARCEL

There are 37 holders of less than a marketable parcel of ordinary shares

## SUBSTANTIAL SHAREHOLDERS

The following information is extracted from the Company's register of substantial shareholders:

Name	No of Shares	%
Wythenshawe Pty Ltd & Waramboo Holdings Pty Ltd	12,820,470	21.76
Tattersfield Group	11,715,025	19.88

# SHAREHOLDER INFORMATION

As at 24 September 2010

## 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

Shareholders	Number of shares	%
1 Tattersfield Securities Ltd	11,675,025	19.82
2 Wythenshawe Pty Ltd	7,100,000	12.05
3 Warramboe Holdings Pty Ltd	5,720,470	9.71
4 Malahang Pty Ltd	1,595,833	2.71
5 Y M G Yovich	1,520,000	2.58
6 G J Petersons	1,500,000	2.55
7 Nalmor Pty Ltd <J Chappell Super Fund A/c>	904,999	1.54
8 Malahang Pty Ltd <Patrick Verbeek Super Fund A/c>	904,166	1.53
9 M J Pevats	850,000	1.44
10 Aiken & Associates Ltd	686,250	1.17
11 Yandal Investments Pty Ltd	645,000	1.09
12 D & E Benney <Benney Family Super Fund>	550,000	0.93
13 Penmaen Limited	500,000	0.85
14 J F G Phillips <J F G Phillips Family A/c>	400,000	0.68
15 H Riddell	375,000	0.64
16 Nattim Pty Ltd <Nattim Investment A/c>	366,666	0.62
17 Bill Brooks Pty Ltd <Bill Brooks Super Fund A/c>	350,000	0.59
18 T R & L Ward	330,000	0.56
19 J F G Phillips	320,000	0.54
20 Annapurna Pty Ltd	300,000	0.51
	<hr/>	
	36,593,409	62.11

# Notes

# Notes



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