



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report for the three months ended 30 September 2011

HIGHLIGHTS

- A broad body of disseminated sulphides with minor but consistent copper mineralisation has been discovered at the Camel Prospect.
 - Hydrothermal sourced native copper mineralisation as fine veinlets has been intersected at the Jameson Prospect.
 - Drillhole intersections at the Jameson, SW1 and SW2 Prospects demonstrate the presence of multiple layers of titaniferous magnetite rock which has positive implications for the possible scale of magnetite, titanium, vanadium and PGE resources within the Musgrave Project.
 - A Joint Venture with Rubicon Resources Ltd has further consolidated the Company's substantial interests in the Musgraves.
 - Drilling by Traka and Anglo American has been assisted by grants from the Western Australian Government Exploration Incentive Scheme.
 - Anglo American drilling program is underway and a new EM target is highlighted at Periscope close to BHP drilling targets.
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EXPLORATION

The Musgrave Project

The Company is the dominant tenement holder in the West Musgrave region with a portfolio of 37 exploration licences some of which are granted and others in application. The total project area exceeds 10,500 square kilometres (Figure 1). Eleven of these licences covering 5,100 square kilometres form our joint venture interests with Anglo American (Australia) Pty Ltd (“AAE”) (Figure 2).

Traka’s extensive interests provide an excellent opportunity to participate in one of the most prospective and under-explored areas in Australia which has only recently seen a resurgence of exploration activity.

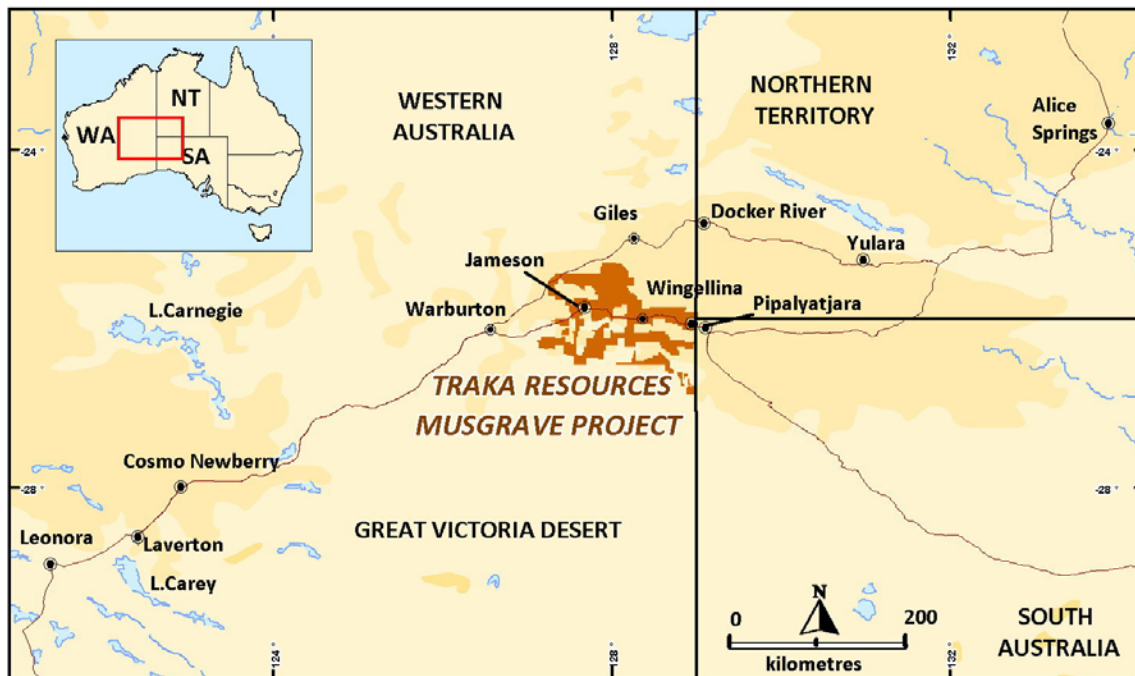


Figure 1. Musgrave Project location plan

The Musgrave Project - Traka managed

A number of drilling, geochemical and geophysical programs have recently been concluded in the Jameson area (Figure 3) with encouraging results. Compilation of the new data is still underway but preliminary results are provided along with a status report for the project as a whole.

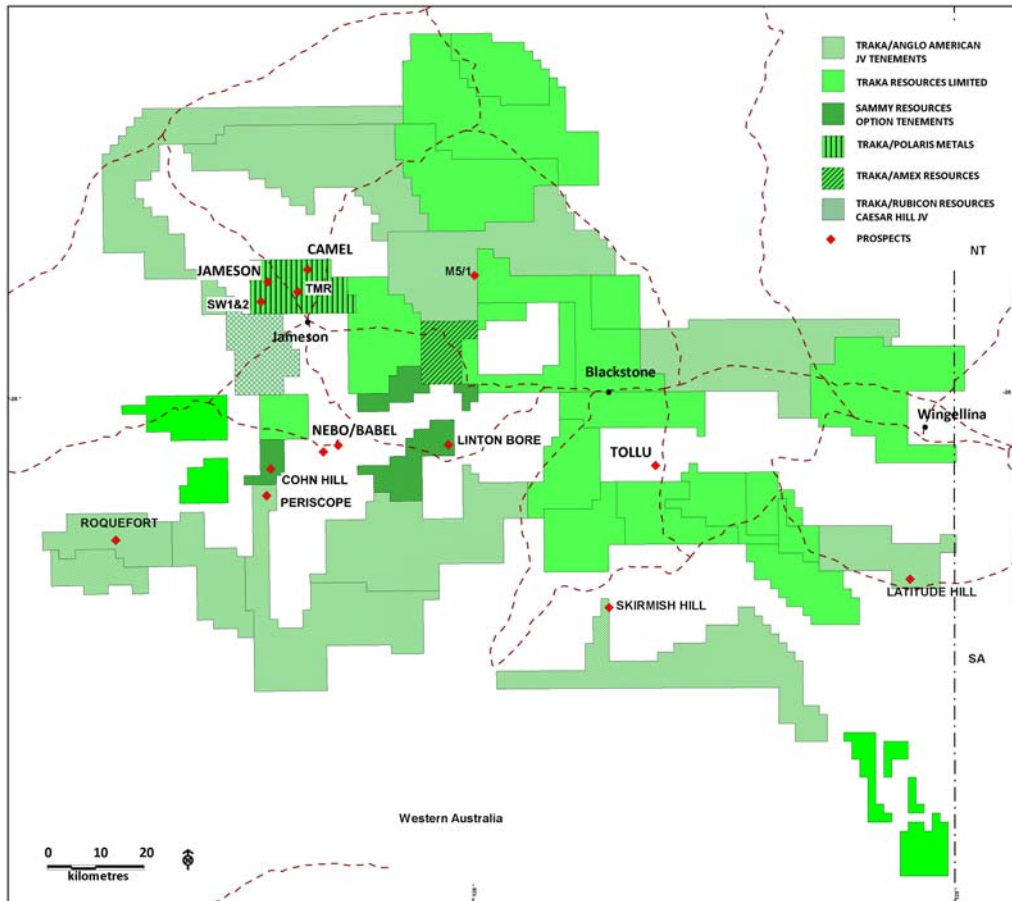


Figure 2. Musgrave Project Location and Equity Interests

The Camel Prospect:

At Camel, drilling has intersected a shallowly dipping sheared gabbro with low grade but consistent disseminated chalcopyrite copper mineralisation in excess of 300 metres true width. One diamond drill hole and 4 reverse circulation (“RC”) holes provide the data source (Figure 4 and Table 1).

Diamond drill hole TMD001 passed through the whole mineralised body but some additional sampling would be required to provide an intersection calculation. Between 51 and 361 metres i.e. 310 metres total width, 178 samples were collected over intervals ranging between 0.1 and 1.05 metres. Assay results for these intervals range between 0.02% Cu and 0.46% Cu. The observed geological continuity and the degree of existing sample data, including close correlation to the results received for the RC holes results, enables an interpretation of this data with some confidence. A copper grade in the order of 0.11% Cu would approximate the overall tenure of the mineralised body. On the upper part of the body there is evidence for the presence of marginally richer zones with copper grades ranging between 0.13% Cu and 0.15%.

The drilling on Camel demonstrates a close correlation of the bedrock copper mineralisation with the peak position of the surface geochemical anomaly and a coincident aeromagnetic feature that have a strike length of over 6 kilometres (Figure 5). The large body of disseminated copper mineralisation at Camel may be enveloping higher grade stringer and massive copper sulphide mineralisation in a similar fashion to the nearby Babel Nebo resource owned by BHP Billiton. The next phase of exploration will therefore focus on locating the presence of any higher grade copper targets along the length of the disseminated body.

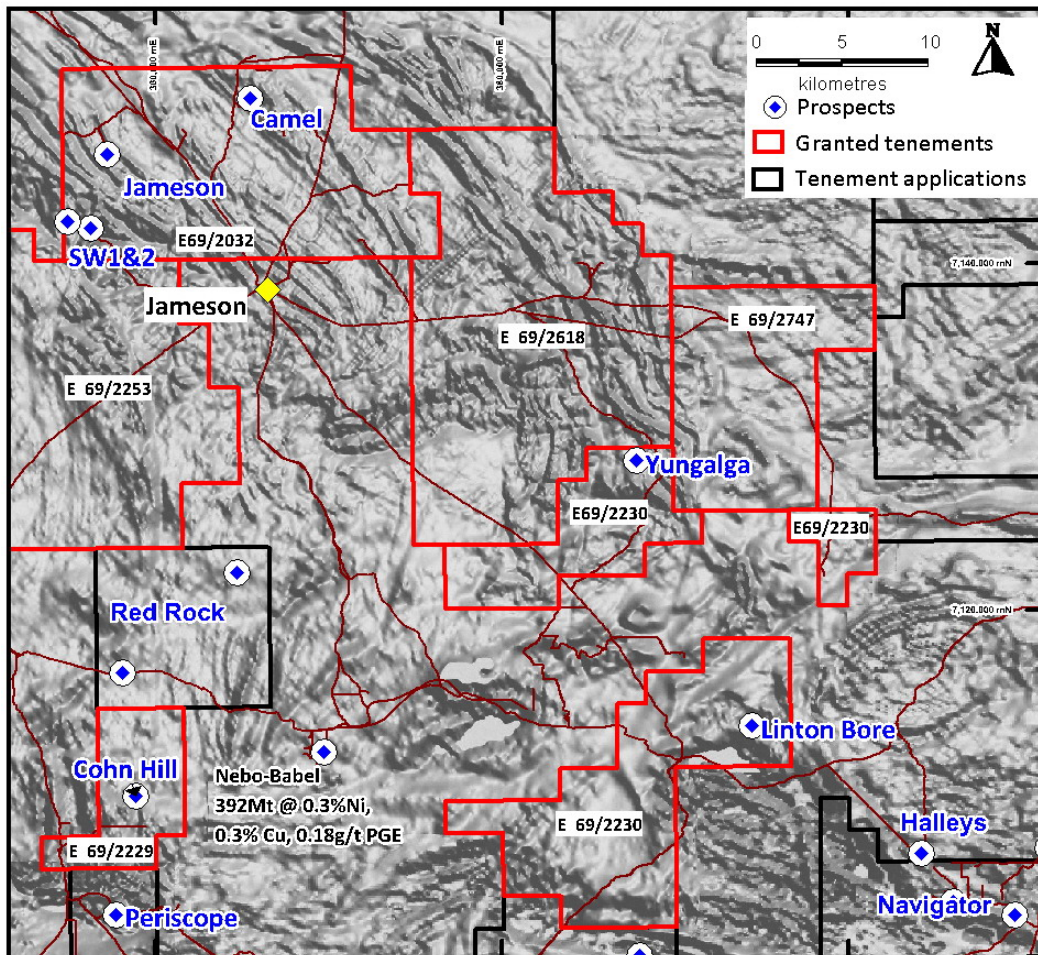


Figure 3. Location plan of the Jameson area showing Prospect Locations over an aeromagnetic image

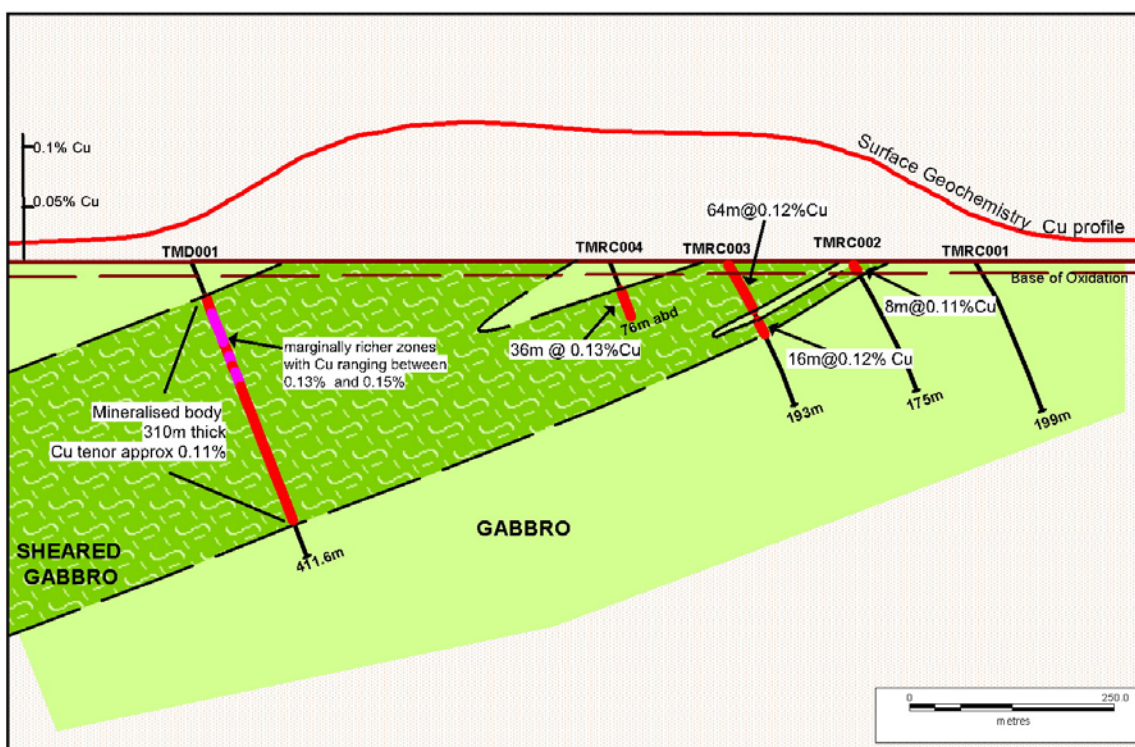


Figure 4. Camel Prospect cross section showing drill data and geological interpretation.

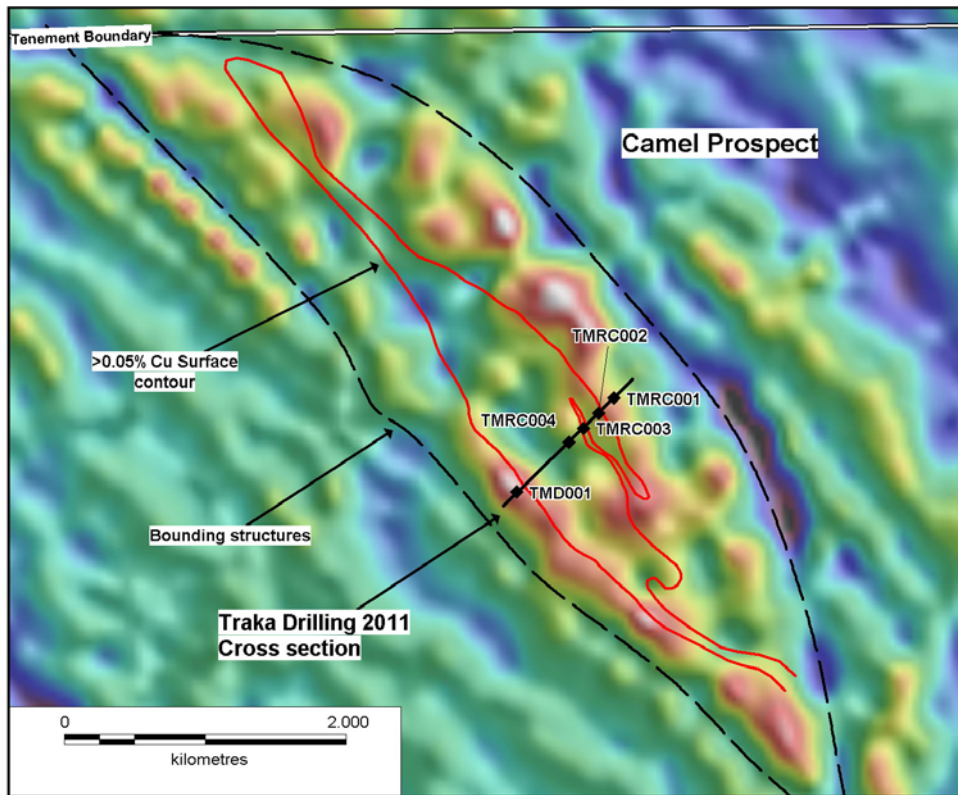


Figure 5. Plan of the Camel Prospect showing the position of drilling and geochemistry over an aeromagnetic image

Hole	Prospect	Type	East	North	From	To	Intersection
TMRC001	Camel	RC	366990	7148730			No significant assays
TMRC002	Camel	RC	366883	7148625	4	12	8m @ 0.11% Cu
TMRC003	Camel	RC	366775	7148517	4 80	68 96	64m @ 0.12% Cu 16m @ 0.12% Cu
TMRC004	Camel	RC	366672	7148418	40	76	36m @ 0.13% Cu
TMRC005	Jameson	RC	357102	7146195			No significant assays
TMRC006	SW1	RC	356340	7142025	68	91	23m @ 26% Fe, 8.5% TiO ₂ , 0.28% V ₂ O ₅
TMRC007	SW2	RC	354900	7142450	89	128	39m @ 26% Fe, 6.8% TiO ₂ , 0.15% V ₂ O ₅
TMRC008	SW2	RC	354967	7142380	44	68	24m @ 24% Fe, 5.6% TiO ₂ , 0.18% V ₂ O ₅
TMD001	Camel	DD	366303	7148067	0	411	As described in text
TMD002	Jameson	DD	357043	7146203	306 331.6	331.6 332.92	25.6m @ 0.10% Cu, 14% Fe, 8% TiO ₂ , 0.2% V ₂ O ₅ 1.32m @ 0.21% Cu, 32% Fe, 18% TiO ₂ , 0.9% V ₂ O ₅ , 0.6 g/t PGE

Table 1. Drill hole data for a program on the Camel and Jameson Prospects of the Musgrave Project (Co-ordinates are in GDA94 Zone 52)

The Jameson Prospect:

Two targets have been drill tested with the one diamond drill hole (TMD002) on the Jameson Prospect.

The first target is an electromagnetic (“EM”) anomaly with a northeasterly strike length of 1 kilometre (Figure 6). Drilling suggests that this target is related to a zone of preferential deeper weathering down a very steeply dipping 25-metre wide zone of brecciation and veining between 190 and 215 metres down hole. Native copper mineralisation was observed in the veins but the averaged copper grade over the 25-metre zone as a whole was low (Figure 7 and Table 1).

The veins, breccia and copper mineralisation at Jameson indicate the presence of a hydrothermal system forcing copper mineralised fluids along a structure through the southwest dipping gabbroic host rocks. Further drilling along the northeasterly structure and below the influence of weathering will assist in locating the source of mineralisation and allow the effective use of downhole EM techniques to locate any conductors associated with copper bearing stringer and massive sulphides.

The presence of hydrothermal copper at Jameson is encouraging and highlights the diverse styles of mineralisation and the rich mineral endowment of the area as a whole.

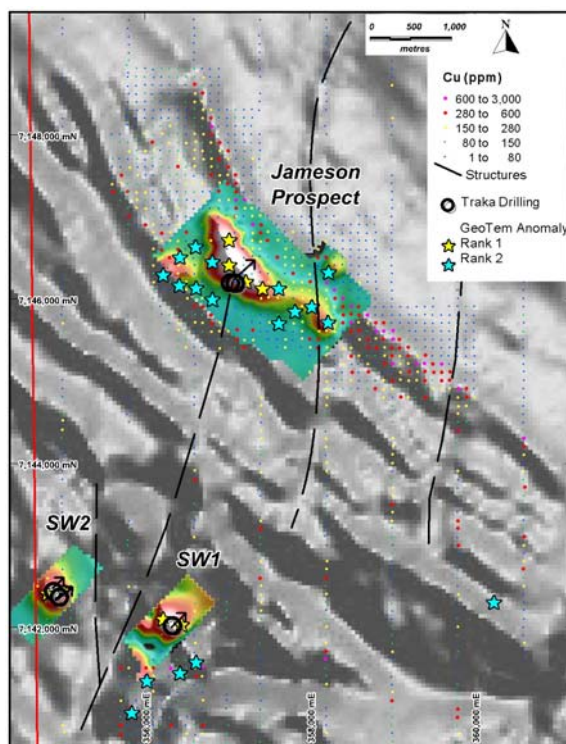


Figure 6. Jameson Prospect EM anomaly (in red) over aeromagnetic image

At 331.6 metres down the hole the second target at Jameson, comprising a layer of massive titaniferous magnetite rock (“TMR”), was intersected. The intersection was 1.32 metres wide with 32% iron (“Fe”), 18% Titanium Dioxide (TiO_2), 0.9% Vanadium Pentoxide (“ V_2O_5 “), 0.6 grams per tonne (“g/t”) Platinum Group Elements (“PGE”) and 0.21% Cu.

The massive TMR intersection correlates very well with the projected down dip extension of similarly mineralized TMR on surface and clearly establishes significant down dip continuity of this horizon. Geological mapping and rock chip sampling already indicates very substantial strike length of the TMR over tens of kilometres in a number of horizons.

On top of the massive TMR horizon there was also intersected a 25.6 metre wide zone of disseminated magnetite rich gabbroic rock containing 14% Fe, 8% TiO_2 , 0.2% V_2O_5 and 0.10% Cu mineralisation. There is a close correlation of the titanium and vanadium grades with the magnetite content and a gradational drop in the magnetite content away from the massive magnetite zone.

Previous work indicates that the massive TMR with its high iron, vanadium and titanium grades would be kiln feed grade, without any beneficiation, in other operations around the world. The disseminated magnetite zone, having a component of rock forming mineral waste, would most likely require concentration to achieve economic grades. Should further studies be positive the disseminated magnetite zone adds a very considerable dimension to the possible scale of iron, titanium and vanadium mineralisation associated with TMR.

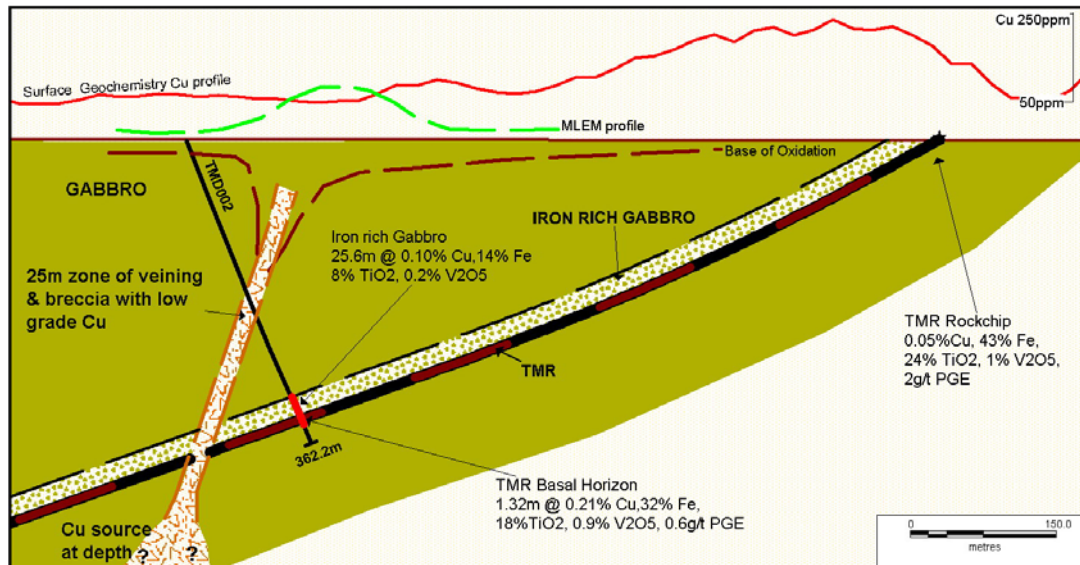


Figure 7. Schematic cross section of the Jameson Prospect show main geological features

The SW1 and SW2 Prospects:

Drilling on SW1 and SW2 targeted coincident EM and multi-element geochemical anomalies. One RC hole was drilled into SW1 and two into SW2 (Figure 6 and Table 1).

All three holes intersected strongly magnetite rich gabbroic rocks with strong titanium and vanadium values and low grade disseminated copper mineralisation. Using a 20% Fe bottom cutoff grade the intersections in the three holes were as follows:

TMRC006 - 23 metres @ 8.5% TiO₂, 0.28% V₂O₅, 229 parts per million (“ppm”) Cu

TMRC007 - 26 metres @ 6.8% TiO₂, 0.15% V₂O₅, 398 ppm Cu

TMRC008 - 24 metres @ 5.6% TiO₂, 0.18% V₂O₅, 386 ppm Cu

Copper mineralisation is evident as disseminated sulphides in these broad intersections and peaks at 1000 ppm to 1400 ppm Cu (i.e. 0.10% to 0.14% Cu). A downhole EM survey of drill hole TMRC007 highlighted some weak in hole conductors associated with disseminated sulphide zones and also some marginally stronger off-hole conductors. Copper mineralisation associated with the iron, titanium and vanadium rich layers is a feature of the Jameson Intrusive and is at levels sufficient to account for the surface geochemical anomalism and EM anomalies.

The gabbroic host rocks at SW1 and SW2 are part of the layered, shallowly southwest dipping Jameson Intrusive. The setting is analogous with the magnetite rich gabbroic rocks on top of the TMR at the Jameson Prospect but is another layer higher up in the sequence. The mounting evidence for the existence of multi-layer magnetite, titanium and vanadium rich horizons continues to indicate the potential for a very significant resource of this nature in this region.

Drilling by Traka and AAE in the Musgrave Project has been assisted by grants from the Western Australian Government Exploration Incentive Scheme.

The Caesar Hill Project:

The Option Agreement with Rubicon Resources Ltd (“Rubicon”) on the Caesar Hill Project has consolidated the Company’s holding in the very prospective Jameson region and highlighted 10 priority targets (CHVA1 to CHVA10) from a helicopter born EM survey (“VTEM”) flown in 2010 (Figure 8). These targets indicate the presence of in-ground electrical conductors which may relate to the presence of sulphides rather than other spurious features like conductive palaeochannels. Smaller massive or stringer style sulphide bodies, which are capable of being detected by VTEM, may occur within much larger bodies of disseminated sulphides in the same manner as at Babel and Nebo.

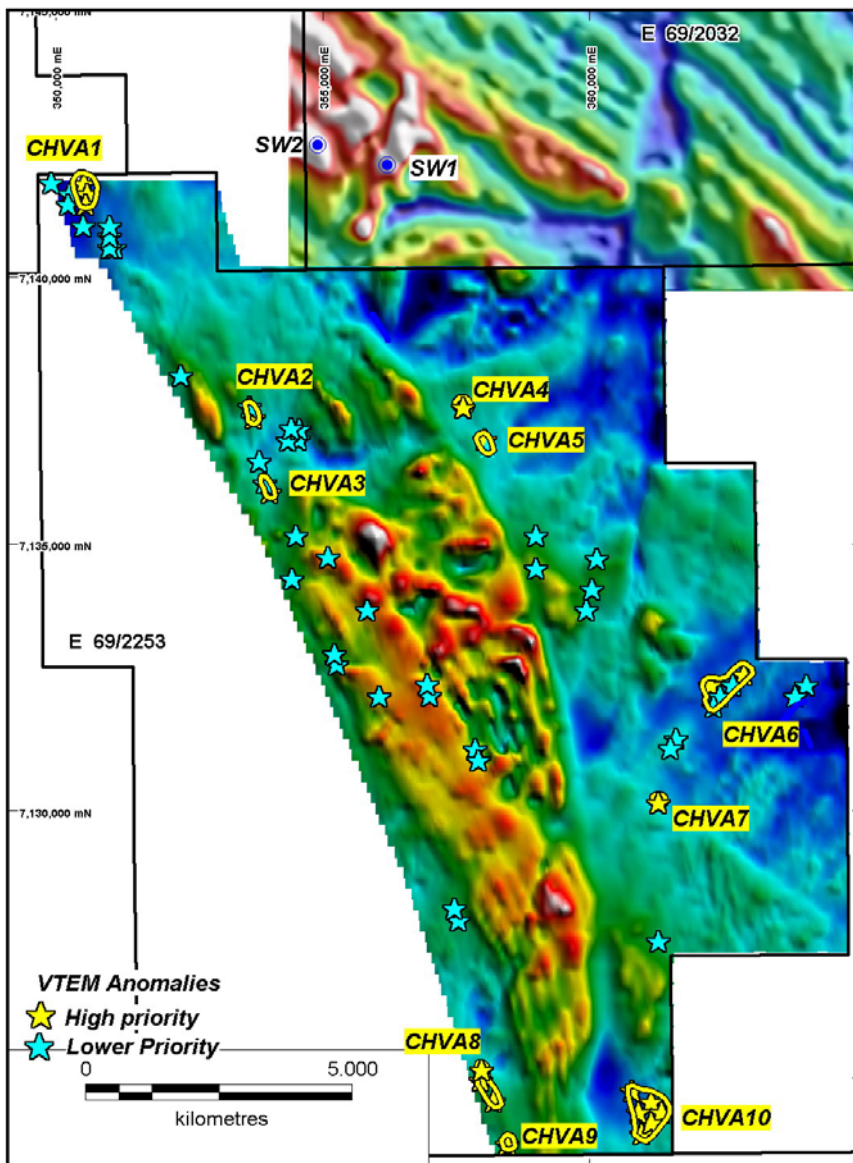


Figure 8. An aeromagnetic image of the Caesar Hill Project showing the position of VTEM targets.

A distinct aeromagnetic and gravity ridge strikes in a northerly direction and indicates that the bulk of the Caesar Hill Project overlies a different mafic/ultramafic intrusive body to the very large layered Jameson Intrusive to the north (Figure 9). This is likely to mean less opportunity for layer controlled titanium, vanadium, PGE mineralisation but an excellent opportunity for copper-nickel-PGE style mineralisation related to late phase mafic/ultramafic intrusives. Some of the priority VTEM anomalies are on the eastern edge of the gravity ridge in the same relative position on the same gravity ridge as Babel Nebo as it turns in an easterly direction.

The initial work on these targets will include higher power and better resolution ground EM, geochemical and geological surveys. The consolidated database will allow programing for drill follow-up. The necessary permitting to allow access for the Rubicon tenement has commenced and assuming a successful outcome to Heritage Surveys and Access meetings scheduled for next month, exploration work should be able to commence in March 2012, at the beginning of the new field season.

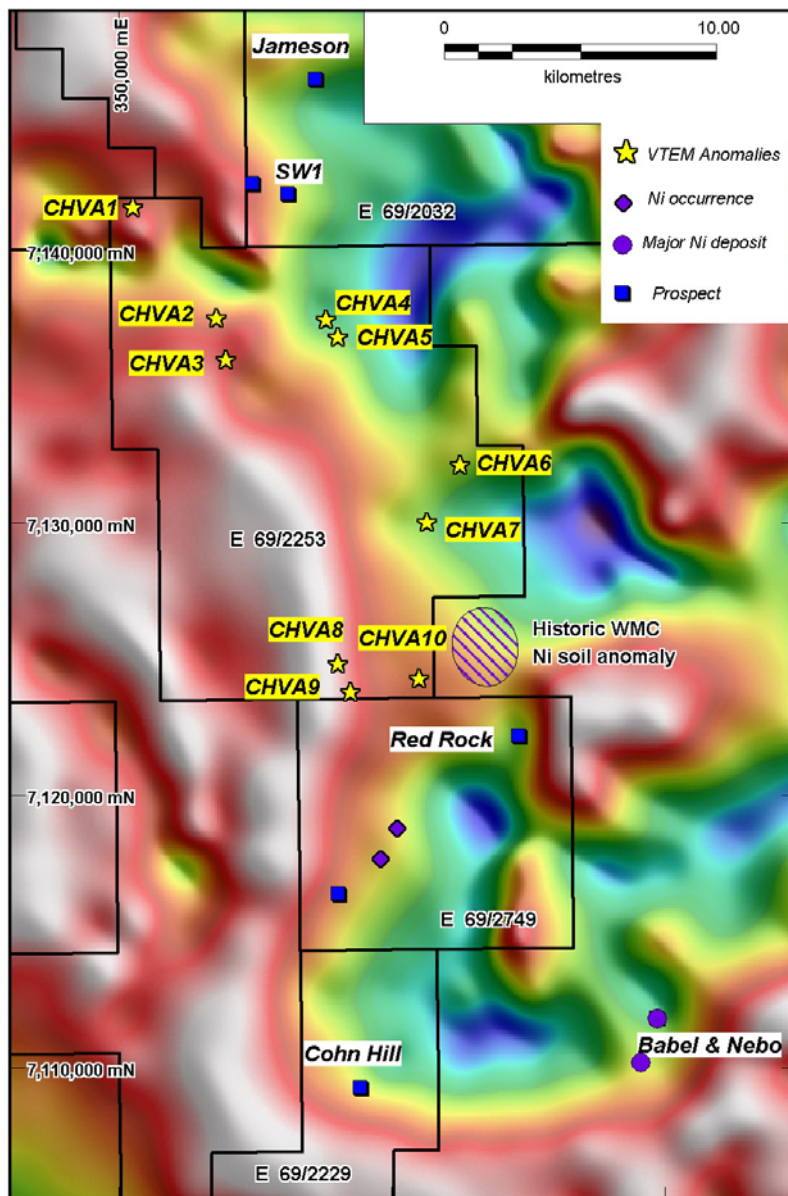


Figure 9. A gravity image showing the position of the VTEM

Exploration Licences EL69/2747 and EL69/2230:

First pass systematic auger and vacuum geochemical programs (1,234 samples) at 100 metre sample spacing on lines 800 metres apart have been completed over most of Exploration Licence E69/2747 and EL69/2230 (Figure 10). The recent receipt of assay data has not enabled a thorough review as yet, but a preliminary appraisal highlights a cluster of anomalies in the Mt Finlayson area, another 1.6 kilometre long target coincident with a magnetic ridge in the Mt Elliot area and a two point anomaly in E69/2230 on the margins of a gravity anomaly. A geological assessment, ground checks and infill sampling programs will be conducted at the first opportunity to advance these targets.

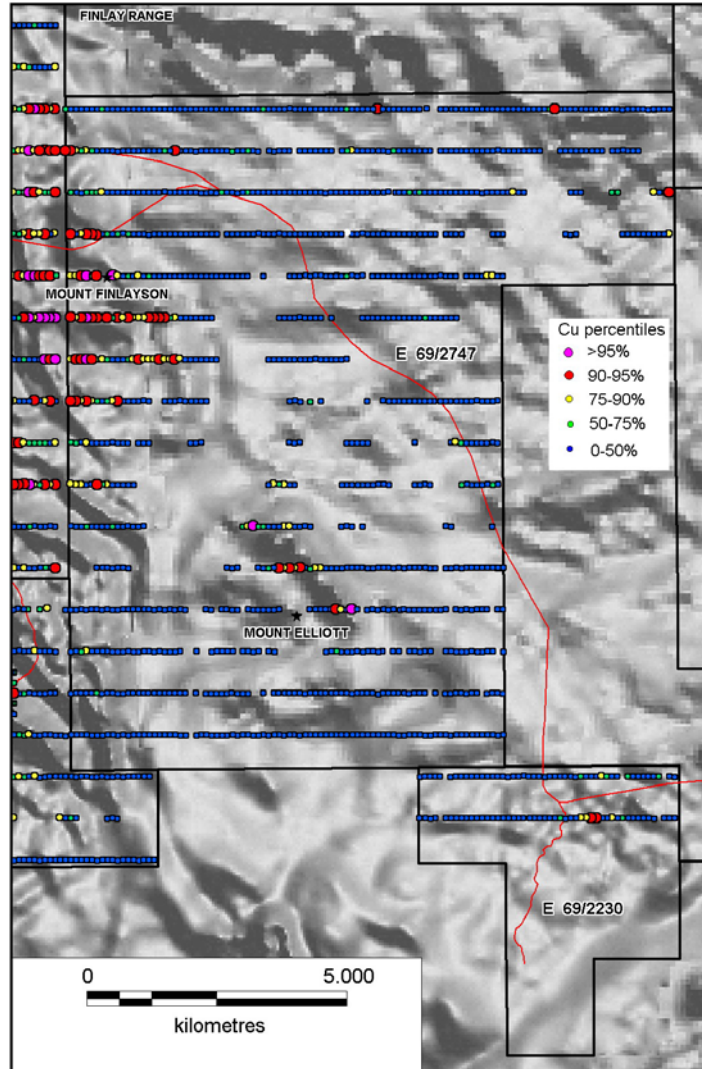


Figure 10. Location plan of copper geochemical anomalies shown in red and magenta on EL69/2747 and E69/2230.

Cohn Hill Prospect:

A ground EM survey of the Cohn Hill geochemical anomaly has highlighted the presence of a paleochannel where some of the anomalous vacuum drill hole geochemical samples were obtained. This complication has obscured the results and necessitates further review. Information obtained by exploration work underway by Anglo American at the Periscope Target to the south of Cohn Hill may assist with further assessment of this area. The proximity of the Cohn Hill and the Periscope targets to BHP Billiton exploration activity across the tenement boundaries to the immediate east supports adoption of a very thorough and persistent appraisal of targets in this area.

The Musgrave Project - Anglo American (Australia) Pty Ltd managed
(AAE earning up to 75%)

AAE are maintaining a busy exploration program comprising drilling, EM and heritage surveys. A summary description of the progress and results received to date follows:

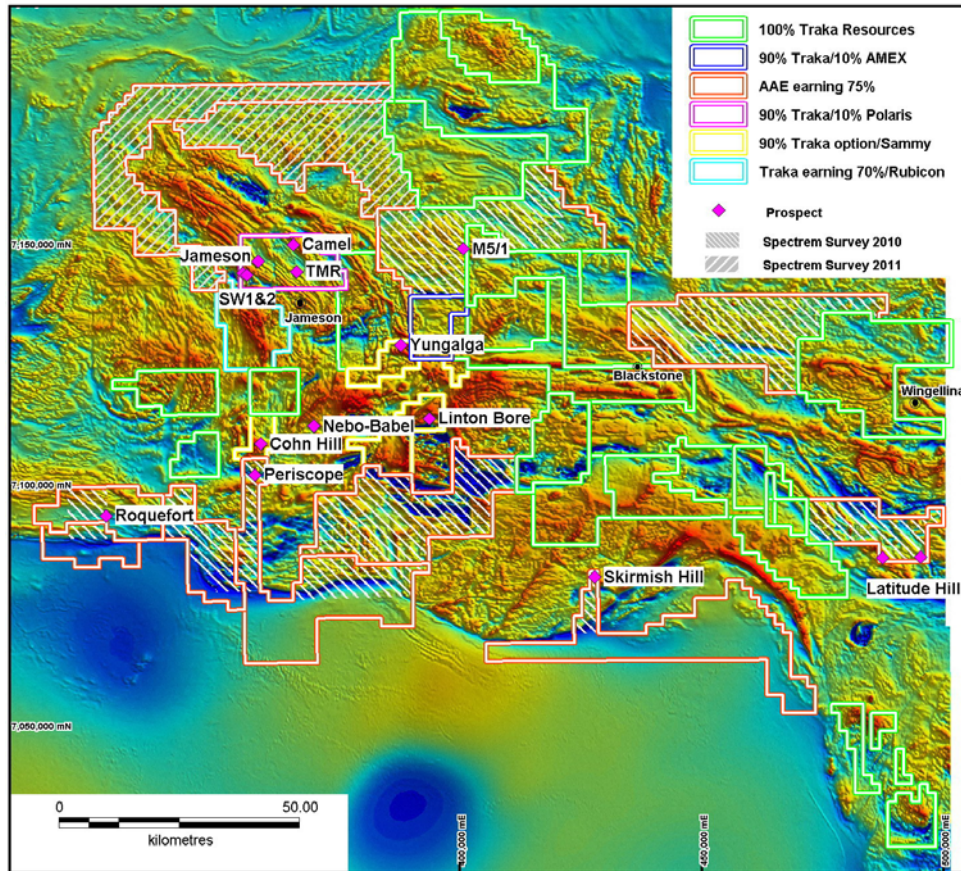


Figure 11. An aeromagnetic image of the Musgrave Project showing prospect locations.

The M5-1 Prospect:

A diamond drilling program comprising 5 holes for a total of 2480 metres has been completed on the M5-1 Prospect. The drill holes intersected wide zones of stringer and heavy disseminated sulphides but with insignificant levels of base metals or gold. The sulphides were found to be primarily hosted in gneissic rocks rather than the mafic and/or ultramafic rocks otherwise favoured for copper and nickel mineralisation in the Musgrave region.

Compilation and interpretation of the drill data is still underway and newly acquired downhole EM data is being modelled. There is evidence for a large untested off-hole conductor to the south-west of the main sulphide zone. A decision as to any additional work on this prospect will be made once this review has been completed.

The Latitude Hill Prospect:

Diamond drilling is currently underway on the second drillhole (MDDH002) at the Latitude Hill Prospect (Figure 12). The first drillhole (MDDH001), which went to 358 metres, was abandoned short of the target because the drill rods sheared off and the hole could not be reopened. MDDH002 was collared 200 metres to the north-east of MDDH001 on the same

section and is designed to test the modelled conductor at a greater depth. The target is modelled to be a steep north-east dipping zone extending over about 3 kilometres in length to greater than 1 kilometre in depth. A sequence of the favoured gabbroic host rocks is currently being drilled through as the drill approaches the target zone.

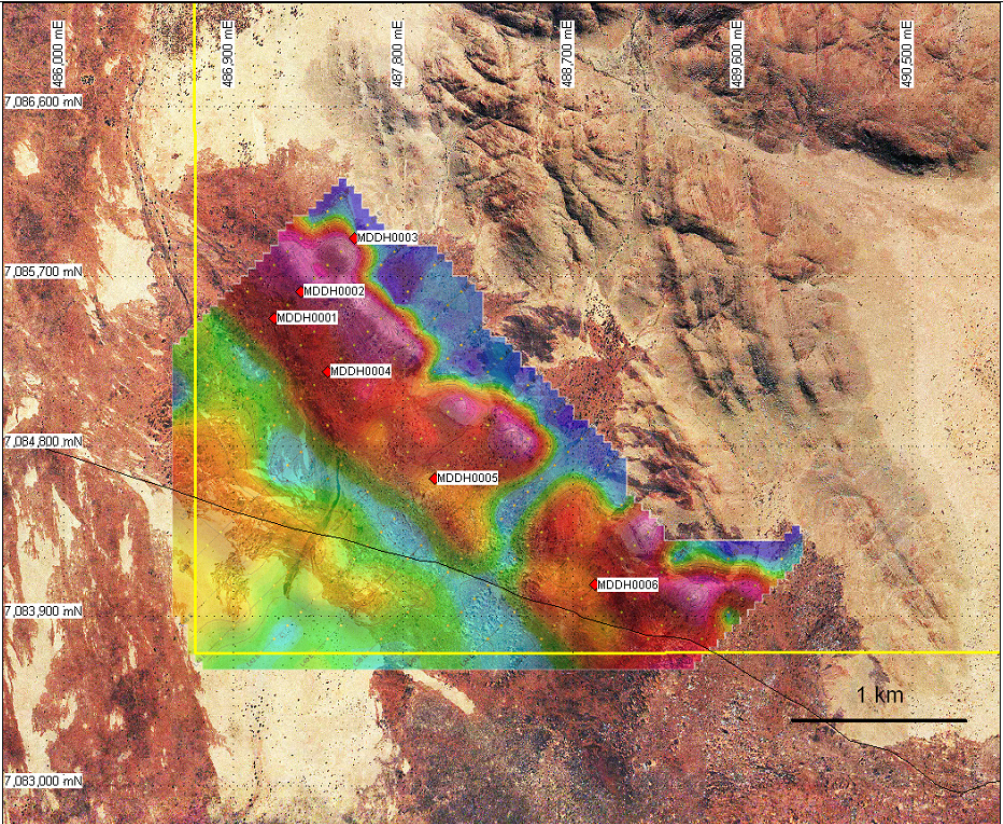


Figure 12. The Latitude Hill Prospect showing the planned drill hole positions over SQUID image and orthophoto.

The Periscope Target:

A SQUID survey of the Periscope Target has been completed and a conductor located at about 750 metres depth (Figure 13). The conductor is modelled to be at least about 800 metres long.

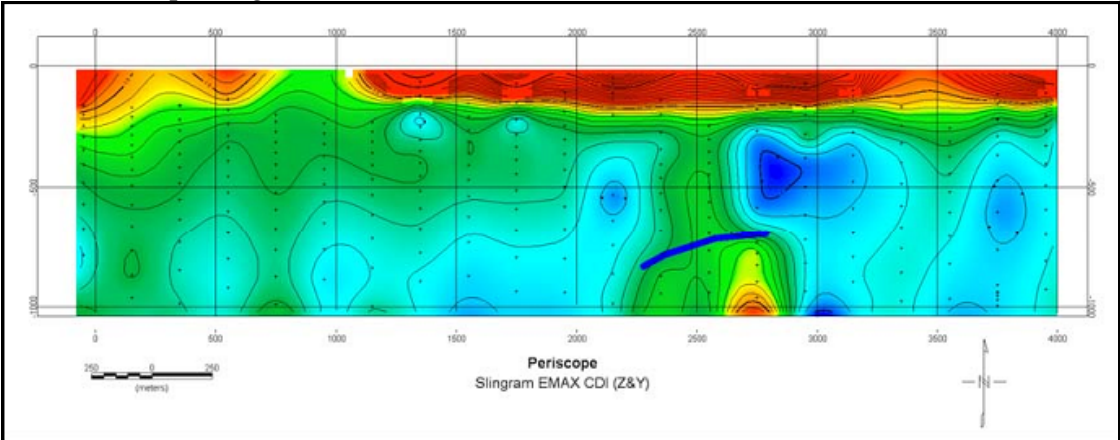


Figure 13. Cross Section through the Periscope Target showing the top of the conductor at about 750 metres depth.

The Periscope Target is noted to occur close to diamond drilling for copper/nickel targets located by BHP Billiton across the tenement boundary to the east. The alignment of the BHP drilling and the Periscope Target is in a north-easterly direction and thought to be significant as a primary structural control to the source and direction of mineralised intrusives and/or hydrothermal fluids that host the Babel Nebo deposit and other prospects east of Babel and Nebo.

The Roquefort Prospect:

Drilling of the Roquefort Prospect will commence as soon as possible.

The Roquefort Prospect is a coincident geochemical and EM anomaly which indicates prospectivity for stratiform sediment hosted copper-zinc style mineralisation. Previous modelling of the EM data on this prospect indicates the strongest part of the EM conductor is at 200 to 300 metres below surface where it is associated with a magnetic body (Figure 14). An old Western Mining Corporation Ltd drill hole intersected an up dip, weakly mineralized copper and zinc portion of this prospect. A single diamond drill hole is planned to test this prospect. AAE have received a grant of \$135,000 under the Western Australian Government Exploration Incentive Scheme to assist with meeting the cost of this drill hole.

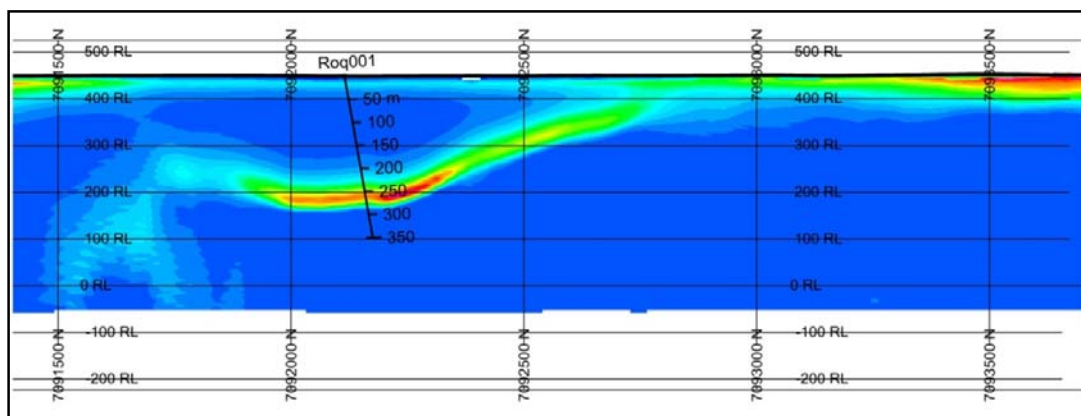


Figure 14. Spectrem survey CDI pseudo section showing position of conductor at Roquefort.

Spectrem Survey:

The Spectrem Survey planned for commencement three months ago has been delayed by new South African Department of Transport and Aviation Authority regulations affecting the South African registered Spectrem plane.

The Ravensthorpe Project

No further work has been completed on this project over the quarter.

The Sirdar Joint Venture (Galaxy earning 80%; Traka free carried)

No updated information is available for this joint venture.

The Tectonic Base Metal Joint Venture (Tectonic earning 70%)

No updated information is available for this joint venture.

The Lort River Project

No further work has been completed on this project over the quarter.

CORPORATE

Caesar Hill Joint venture

On 15th September 2011 the Company entered into an agreement with Rubicon Resources Ltd (“Rubicon”) on the Caesar Hill exploration tenement (EL69/2253). This tenement abuts a number of Traka’s tenements in the Jameson area of the Musgrave Project and is a very prospective tenement with a number of identified targets. Its inclusion into Traka’s exploration portfolio complements the exploration focus already underway in the immediate area and further consolidates the Company’s dominant interests.

The key terms of the agreement with Rubicon include:

1. Traka has the right to earn 70% interest though the expenditure of \$800,000 over 5 years.
2. Upon meeting a Minimum Commitment of \$150,000 within the first 12 months Traka may elect to proceed to earn its 70% equity by the additional expenditure of \$650,000.

Upon Traka earning its 70% equity the parties will contribute to additional exploration expenditure pro-rata to their respective equity interests or dilute using the standard industry dilution formula

Mr Patrick Verbeek
Managing Director

25th October 2011

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 mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Verbeek consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.
