



Traka Resources Limited

ABN: 63 103 323 173

31 July 2012

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

Dear Sir / Madam,

Announcement of Entitlement Issue

Traka Resources Limited announces a non-renounceable pro-rata issue of up to 23,201,680 fully paid ordinary shares at a price of 4 cents each to all shareholders of the Company as at 15 August 2012, on the basis of 1 share for every 3 shares held, to raise up to \$906,067 after costs.

The purpose of the issue is to fund further exploration on the Company's projects, evaluate new exploration prospects and meet ongoing overhead expenditure and the costs of this issue.

The proposed timetable for this issue is set out below

Announcement of Entitlement Issue, lodgement of Prospectus, application for listing	31 July 2012
Despatch of preliminary Notice to Shareholders	2 August 2012
Ex date – shares trade ex-entitlements	9 August 2012
Record Date for determining entitlements to new shares	15 August 2012
Prospectus and Entitlement and Acceptance Form despatched – offer opens	17 August 2012
Issue closes - latest date for acceptances and payment in full	31 August 2012
Shares quoted on a deferred settlement basis	3 September 2012
Announcement of undersubscription	5 September 2012
Despatch Date - last day for shares to be entered into shareholders' holdings	10 September 2012

These dates are indicative only and may vary. The Company reserves the right to vary the opening and closing dates of the Entitlement Offer without prior notice subject to compliance with the ASX Listing Rules. This may impact on subsequent dates.

An Appendix 3B announcement and application for quotation is attached.

Yours faithfully

Peter Rutledge
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

TRAKA RESOURCES LIMITED

ABN

63 103 323 173

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | ORDINARY SHARES – FULLY PAID |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 23,201,680 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Issue price is 4 cents per share |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	<p>Yes - rank equally with existing ordinary fully paid shares</p>
<p>5 Issue price or consideration</p>	<p>4 cents per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Pro-rata non-renounceable entitlement issue to fund:</p> <ul style="list-style-type: none">(a) working capital to provide for the costs of exploration of those of the Company's tenement areas which are not funded by third parties and to provide for contributions to joint venture operations;(b) maintenance of current rights of tenure to the Company's exploration and mining tenements;(c) the search for new exploration opportunities; and(d) ongoing administration and overhead expenditure including the costs of this Entitlement Offer.
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>10 September 2012</p>

+ See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	69,605,049	Ordinary Shares fully paid

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,650,000	Options exercisable at 21.25 cents each by 17 Nov 2013
	1,100,000	Options exercisable at 20.625 cents each by 15 Nov 2014

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividend policy is currently in place since the company is involved only in exploration
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Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	1 new share for every 3 shares held
14 +Class of +securities to which the offer relates	Ordinary shares
15 +Record date to determine entitlements	15 August 2012
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17 Policy for deciding entitlements in relation to fractions	Fractional entitlements will be disregarded through rounding down

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents	UK, Hong Kong, Singapore and Surinam On account of the small number of shareholders in these jurisdictions and the cost of regulatory compliance in these jurisdictions New Shares to which these shareholders would normally be entitled will form part of the Shortfall
	Note: Security holders must be told how their entitlements are to be dealt with.	
	Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	31 August 2012
20	Names of any underwriters	Not applicable – the issue is not underwritten
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not applicable
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	17 August 2012
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	2 August 2012
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)? Not applicable
- 33 ⁺Despatch date 10 September 2012

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities for forming a new class of securities **NOT APPLICABLE**

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

NOT APPLICABLE

38 Number of securities for which
+quotation is sought

--

39 Class of +securities for which
quotation is sought

--

40 Do the +securities rank equally in
all respects from the date of
allotment with an existing +class of
quoted +securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

--

41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify
that other security)

--

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: **Peter Rutledge**
(Director/Company secretary)

Date: **31 July 2012**

Print name: **PETER RUTTLEDGE**

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Traka Resources Limited

ABN 63 103 323 173

PROSPECTUS

FOR AN ENTITLEMENT ISSUE OF SHARES

DATED

31 JULY 2012

For a non-renounceable pro rata issue of up to 23,201,680 fully paid ordinary shares in Traka Resources Limited at a price of 4 cents each to all holders of ordinary shares in Traka Resources Limited as at 15 August 2012, on the basis of 1 share for every 3 shares held, to raise up to \$928,067 before costs.

IMPORTANT NOTICE TO ALL SUBSCRIBERS TO THE ISSUE

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

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

THIS ISSUE IS NOT UNDERWRITTEN

CORPORATE DIRECTORY

Directors

Neil Tomkinson
Non-executive Chairman

Patrick Verbeek
Managing Director

George Juris Petersons
Non-executive Director

Joshua Norman Pitt
Non-executive Director

Company Secretary

Peter Campbell Ruttledge

Registered and Business Office

Suite 2, Ground Floor
43 Ventnor Avenue
West Perth WA 6005
Tel: 08 9322 1655
Fax: 08 9322 9144
Email: traka@trakaresources.com.au
Web: www.trakaresources.com.au

Home Exchange

Australian Securities Exchange
2 The Esplanade
Perth WA 6000

Auditor

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

Share Registry

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6000
Telephone: 08 9323 2000
Facsimile: 08 9323 2033

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

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SECTION 1 - EXPLANATION OF THE PROSPECTUS

This Prospectus is dated 31 July 2012. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission ("ASIC") on that date. Neither the ASIC nor the Australian Securities Exchange ("ASX") is responsible for the contents of this Prospectus.

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

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

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

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

SECTION 2 - INFORMATION AVAILABLE

2.1 Continuous Disclosure

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

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

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

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

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

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

The Company will provide free of charge to any person who requests it prior to the Closing Date a copy of any continuous disclosure notices given during the period starting after the lodgement with the ASIC of the Financial Statements for the year ended 30 June 2011 and ending before the issue of this Prospectus.

2.2 Effect of this Prospectus

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

2.3 Website – Electronic Prospectus

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

SECTION 3 - TIMETABLE OF IMPORTANT DATES

Announcement of Entitlement Offer and application for quotation (Appendix 3B)	31 July 2012
Date of lodgement of Prospectus with the ASIC and ASX	31 July 2012
Despatch of notice to shareholders containing Appendix 3B information	2 August 2012
Ex date - shares trade ex entitlements	9 August 2012
Record Date for determining entitlements to New Shares	15 August 2012
Prospectus and Entitlement and Acceptance Form despatched and offer opens	17 August 2012
Offer closes - latest date for acceptances and payment in full	31 August 2012
Shares quoted on a deferred settlement basis	3 September 2012
Notify ASX of undersubscriptions	5 September 2012
Despatch – shares entered in shareholders' holdings and deferred settlement ends	10 September 2012

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

SECTION 4 - DETAILS OF THE ENTITLEMENT OFFER

4.1 The Entitlement Offer

This Prospectus invites all existing holders of ordinary shares in the Company to participate in a pro-rata non-renounceable Entitlement Offer of New Shares on the basis of one New Share for every three shares held on the Record Date at an issue price of 4 cents per New Share. Fractional entitlements will be disregarded through rounding down.

The holders of the existing 3,750,000 unlisted options to acquire ordinary shares in the Company will not be entitled to participate in the Entitlement Offer in respect of their options unless they exercise their options converting them to shares prior to the Record Date.

Assuming existing options are not exercised the Entitlement Offer will comprise 23,201,680 New Shares and will raise approximately \$906,000 (after deducting expenses of the Entitlement Offer estimated to be approximately \$22,000) if all entitlements are taken up. There is no minimum subscription.

It is assumed that existing option holders, comprising staff engaged by the Company, will not exercise their options before the Record Date since the exercise price of the options exceeds the current market price of Traka shares. However, should all the 3,750,000 outstanding options be exercised before the Record Date and the resulting entitlements to New Shares be taken up, this would result in an additional 1,250,000 New Shares being issued and an additional \$840,000 being raised from the exercise monies for the option conversions and the subscription to the resulting entitlements to New Shares.

4.2 No Rights Trading

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

4.3 Share Market Trading

The latest available market sale price of the Company's shares from the ASX on the day immediately before the announcement of the terms of the Entitlement Offer was 5 cents on 12 July 2012.

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

Highest price:	6.8 cents	Date:	31 May 2012
Lowest price:	5 cents	Date:	12 July 2012

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

Highest price:	27 cents	Date:	1 August 2011
Lowest price:	5 cents	Date:	12 July 2012

4.4 Opening and Closing Dates

The Entitlement Offer will open for receipt of acceptances at 10.00 am WST on **Friday 17 August 2012** and will close at 5.00 pm WST on **Friday 31 August 2012**, or such later date not exceeding 13 months from the date of this Prospectus as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives the ASX notice of the change at least 6 Business Days prior to the Closing Date.

4.5 Directors' Support of the Issue

The Entitlement Offer is not underwritten, but the following substantial shareholders, being companies associated with non-executive Directors of the Company, have committed to subscribe for their full entitlements:

	Current shareholding	%
Wythenshawe Pty Ltd and Warramboe Holdings Pty Ltd - companies associated with Directors N Tomkinson and JN Pitt	12,888,651	18.52

4.6 Entitlements and Acceptances

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

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

You may:

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

Acceptance of Entitlement in Full

If you wish to accept your entitlement in full, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form and submit your acceptance either electronically by BPAY® or together with a cheque by mail or hand delivery to reach the Company's Share Registry prior to the Offer closing on 31 August 2012. If you are paying by BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

Partial Acceptance of Entitlement

If you wish to accept part of your entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form for that part of your entitlement that you wish to accept and submit your acceptance either electronically by BPAY® or together with a cheque by mail or hand delivery to reach the Company's Share Registry prior to the Offer closing on 31 August 2012. If you are paying by BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

Non-Acceptance of Entitlement

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

Payment for Acceptances by cheque or BPAY®

Entitlements may be accepted by submitting the completed Entitlement and Acceptance Form together with your cheque or money order, made payable to "Traka Resources Limited – Rights Issue" and crossed "Not Negotiable", to the Company's Share Registry

by hand delivery at:

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace, Perth WA 6000

by mail at:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Vic 3001

to be received **no later than 5pm WST on 31 August 2012.**

Alternatively, entitlements may be accepted electronically using BPAY®, in which case you are not required to return the Entitlement and Acceptance Form. You can simply make payment for the total number of shares accepted by using the Biller Code and the personalised Reference Number set out in your Entitlement and Acceptance Form. You must ensure that acceptance and payment by BPAY® is received **no later than 4pm WST on 31 August 2012.**

Instructions for making payment by BPAY® are set out in your Entitlement and Acceptance Form. You should be aware that your own financial institution may impose earlier cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment.

4.7 Additional Shares – Shortfall

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

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

This can be done by completing the Additional Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the form, and including the consideration for these Additional Shares with the payment for the entitlements. As set out in Section 4.6, payment can be by cheque / money order accompanying the Entitlement and Acceptance Form, or by BPAY®.

If the number of Additional Shares applied for exceeds the number of shares in the Shortfall, the Directors will consider allotting shares to the applicants on a pro-rata basis. Priority will be given to applicants with existing shareholdings less than 100,000 shares applying for up to 100,000 Additional Shares.

If the number of Additional Shares issued and allotted is less than the number of shares in the Shortfall the balance remaining may be allocated at the discretion of the Directors within six months of the Closing Date of the Offer. The issue price at which any shares the subject of the Shortfall are placed shall not be less than 4 cents per share, being the price at which this Entitlement Offer has been made to shareholders pursuant to this Prospectus.

Enquiries

If you have any queries regarding your Entitlement, Acceptance of your Entitlement or Application for Additional Shares, please contact the Share Registry by telephone on **1300 723 049** (from New Zealand **+61 3 9415 4696**) or your stockbroker or professional adviser

4.8 Issue and Allotment of New Shares

The New Shares are expected to be issued and allotted by no later than 10 September 2012. Until the issue and allotment of the New Shares under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only as required by the Corporations Act. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place.

4.9 ASX Listing

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

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

4.10 Chess System

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

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

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

Shareholders registered under the Issuer Sponsored subregister will receive a statement from Computershare Investor Services Pty Limited.

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

4.11 Overseas Investors

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

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

New Shares to which Eligible Shareholders who are not residents of Australia and New Zealand would otherwise be entitled will form part of the Shortfall, and may be placed at the discretion of the Directors in accordance with Section 4.7.

New Zealand shareholders

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

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

4.12 No issue of New Shares after the Expiry Date

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

4.13 Ranking of New Shares

The New Shares will rank equally in all respects with the Company's existing issued fully paid ordinary shares. The Company currently has 69,605,049 fully paid ordinary shares on issue.

4.14 Dividend Policy

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

4.15 Taxation Implications

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

SECTION 5 – PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

5.1 Purpose of the Entitlement Offer

The Entitlement Offer will raise funds for the following purposes:

- to meet the administration and running costs of the Company and the expenses of this Entitlement Offer; and
- for working capital purposes including providing for the costs of exploration of those of the Company's tenement areas which are not funded by third parties and provision of contributions to joint venture operations; and
- to maintain current rights of tenure to the Company's exploration and mining tenements;
- to fund the Company's search for new exploration opportunities

Funds raised from the Entitlement Offer will not be applied to repay any amounts drawn down on the short term working capital facility described in Section 7.1. Repayment of these amounts is expected to be made only out of any proceeds that may arise from farming out or realising exploration assets of the Company.

5.2 Capital Structure

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

- (a) holders of unlisted options will not convert their holdings to ordinary shares before the Record Date;
- (b) all entitlements to New Shares in the Entitlement Offer are taken up.

ORDINARY SHARES	No of shares	Amount \$
FULLY PAID		
On issue	69,605,049	10,593,504
New Shares (less costs of the issue)	<u>23,201,680</u>	<u>906,067</u>
After this Issue	<u>92,806,729</u>	<u>11,499,571</u>

5.3 Effect of this Entitlement Offer

The effect of the Entitlement Offer on the independently reviewed Statement of Financial Position of Traka Resources Limited as at 31 December 2011 is shown in the unaudited proforma post-issue Statement of Financial Position set out below based on the assumptions that:

- (a) the Entitlement Offer was effective as at 31 December 2011;
- (b) holders of options will not convert their holdings to fully paid shares prior to the Record Date; and
- (c) all existing entitlements to New Shares in the Entitlement Offer are taken up;
- (d) the short term working capital loan of \$200,000 has been fully drawn down.

STATEMENT OF FINANCIAL POSITION

	Independently Reviewed 31 December 2011	Unaudited Proforma Post issue
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	404,798	1,510,865
Trade and other receivables	40,294	40,294
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	445,092	1,551,159
	<hr/>	<hr/>
NON CURRENT ASSETS		
Trade and other receivables	14,000	14,000
Plant and equipment	125,218	125,218
	<hr/>	<hr/>
TOTAL NON CURRENT ASSETS	139,218	139,218
	<hr/>	<hr/>
TOTAL ASSETS	584,310	1,690,377
	<hr/>	<hr/>
CURRENT LIABILITIES		
Trade and other payables	95,032	295,032
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	95,032	295,032
	<hr/>	<hr/>
TOTAL LIABILITIES	95,032	295,032
	<hr/>	<hr/>
NET ASSETS	489,278	1,395,345
	<hr/>	<hr/>
EQUITY		
Contributed equity	10,593,504	11,499,571
Reserves	645,837	645,837
Accumulated losses	(10,750,063)	(10,750,063)
	<hr/>	<hr/>
TOTAL EQUITY	489,278	1,395,345
	<hr/>	<hr/>

5.4 Consequences of a Shortfall

As noted earlier, approximately 18.5% of the funds which are the subject of the Entitlement Offer have been committed by interests associated with the Company's two non-executive Directors, Mr N Tomkinson and Mr J N Pitt. If the total of all funds raised from entitlement and shortfall applications is less than estimated maximum amount of approximately \$906,000, after the expenses of the Offer, the Company has the ability and flexibility to amend its exploration programmes and budgets for the foreseeable future to match funds available at the time.

SECTION 6 – INVESTMENT CONSIDERATIONS - RISKS

The shares offered pursuant to this Prospectus are speculative.

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

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

- Inflation, interest rates, general economic changes including global recessionary and funding pressure, industrial disputes and political factors in Australia and overseas likely to affect the Australian share market.
- Changes in the price of gold, silver, platinum group metals and base metals.
- Exploration by its nature contains elements of significant risk in that success depends on the discovery and delineation of recoverable and economic ore reserves, design of suitable processes for recovery of minerals and construction operating of an economically viable and efficient plant to recover and process the ore at a remote location. There is also the aspect of obtaining long-term markets for any mineral product.
- The market price of shares may be affected by varied, unpredictable and often indefinable influences on equities in general and mining and exploration stocks in particular.
- Some of the mining tenement interests held by the Company are within the area of claims lodged under the Native Title Act 1993 (Commonwealth).
- It is possible that there will exist on the Company's tenements areas containing sacred sites or sites of significance to Aboriginal people, subject to the provisions of the Aboriginal Heritage Act, or to the Native Title Act. As a result land within the mining tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.
- Contractual risks – all agreements entered into by the Company are subject to interpretation. There is no guarantee that the Company will be able to enforce its rights under such agreements with third parties.
- Traka Resources' tenements are subject to State and Federal laws governing environmental impact and protection. There is a risk that exploration and/or development of some of the Company's tenements may be delayed or prohibited.

SECTION 7 - ADDITIONAL INFORMATION

7.1 Interests of Directors

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

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

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

Directors' Share and Option Holdings

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

Director	Ordinary Shares	Options
	Fully Paid	
N Tomkinson	5,788,651	-
J N Pitt	7,100,000	-
P A Verbeek	3,499,999	3,000,000
G J Petersons	1,310,000	-

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 12,888,651 ordinary shares.

Directors' Remuneration

Details relating to the remuneration of Directors are set out in the Remuneration Report section of the 2011 Directors' Report and Note 15 of the Notes to the Financial Statements in the Company's 2011 Financial Report lodged with the ASX on 26 September 2011. There have been no changes to the level of Directors' remuneration since that date.

Related Party Transactions – Short term working capital facility

In addition to the related party transactions set out in Note 19 of the Notes to the Financial Statements in the Company's 2011 Financial Report, on 27 April 2012 two companies associated with directors of the Company, Mr N Tomkinson and Mr J N Pitt, made binding offers to provide a short term unsecured loan facility of \$200,000 to the Company for a period of three months from the date of the first drawdown of the facility. The interest on the loan facility is 5% per annum. The first \$100,000 drawdown took place on 9 May 2012 and the facility is fully drawn down at the date of this prospectus. The lenders have extended the term of the loan facility to 31 December 2012.

7.2 Interests of Named Persons

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

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

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or offer of the securities.

7.3 Consent

BDO Audit (WA) Pty Ltd ("BDO") consents to being named in this Prospectus in relation to an offer of shares in the Company for subscription, and any electronic version of the Prospectus. BDO consents to the inclusion of references to it in this Prospectus as auditors of the Company in the form and context in which those references are included. BDO has not made any statement in the Prospectus or any statement on which a statement made in the Prospectus is based other than as set out above. This consent has not been withdrawn prior to the lodgement of the prospectus with ASIC.

7.4 Substantial Shareholders

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

Name	Shares Held	% of Issued Capital
Wythenshawe Pty Ltd and Warramboe Holdings Pty Ltd – companies associated with directors N Tomkinson and J N Pitt	12,888,651	18.52%
Tattersfield Securities Limited	11,715,025	16.83%

7.5 Rights Attaching To Shares

Details of the rights attaching to the Company's shares are set out in Note 13 of the Notes to the Financial Statements in the 2011 Financial Report and in the Constitution of the Company, a copy of which can be inspected at the Company's registered office at Suite 2, Ground Floor, 43 Ventnor Avenue, West Perth during normal business hours.

7.6 Corporate Governance

The Company has adopted comprehensive corporate governance policies. These policies are set out in the Company's 2011 Financial Report.

SECTION 8 - DIRECTORS' RESPONSIBILITY STATEMENT AND CONSENTS

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

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

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

Signed in accordance with a resolution of the Directors

N Tomkinson
Director

Dated 31 July 2012