



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report for the three months ended 31 March 2012

HIGHLIGHTS

- Drilling at Mt Short has intersected very encouraging stratabound lead and zinc mineralisation.
- Anglo American has completed large scale Spectrem surveys which have highlighted new targets and is about to start a drill program to test the Periscope Prospect.
- A sale of non-core tenements in the Ravensthorpe Project has raised working capital for the Company.
- Various strategies are currently being considered to enable the funding and acceleration of exploration activity in the Musgrave and Mt Short.

EXPLORATION

The Musgrave Project

Traka Resources Ltd (“Traka”) has a dominant position in the West Musgrave’s with interests in 40 exploration licences extending over 10,500 square kilometres (Figure 1). This portfolio comprises a mixture of granted and priority licence applications and interests in 5 joint ventures (Figure 2). Traka is the manager and has the majority equity and/or the ability to earn majority equity in 4 of these joint ventures (Polaris, Rubicon, Amex and Sammy JV’s). The 5th joint venture is with Anglo American (Australia) Pty Ltd (“AAE”) and in this case AAE is the manager and has the rights to earn majority equity. The scale of exploration activity by Traka and AAE over the past few years has resulted in an unprecedented level of exploration in this highly prospective and under-explored terrain.

A separate summary of exploration activity undertaken by AAE and Traka is provided in the following text.

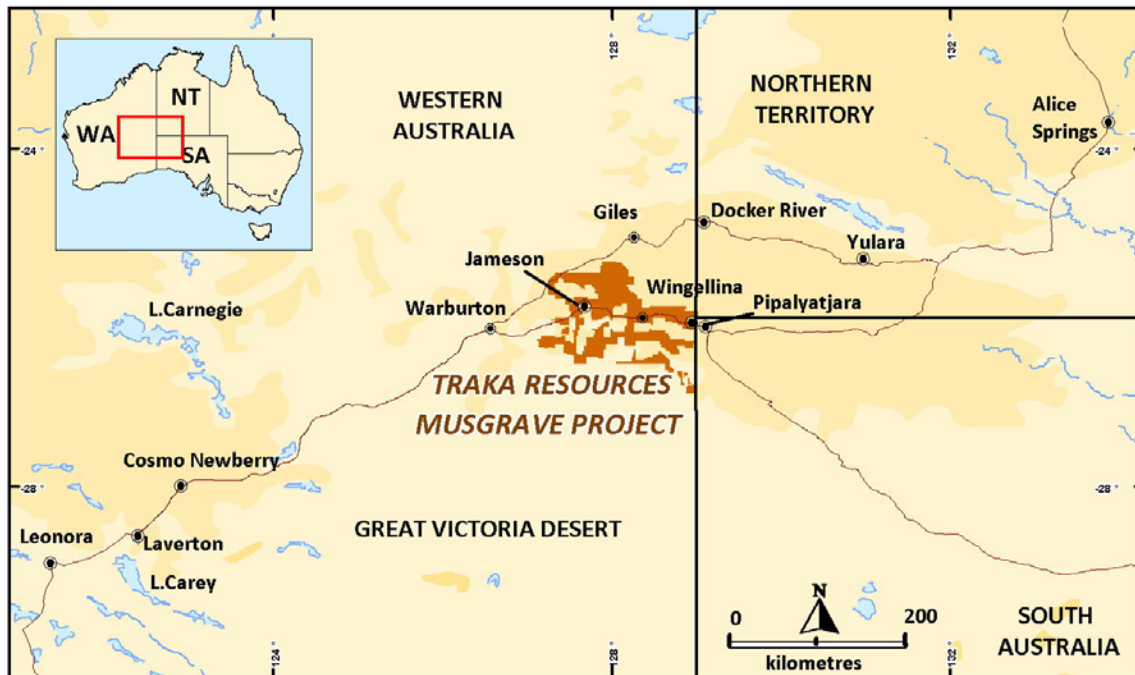


Figure 1. Musgrave Project location plan

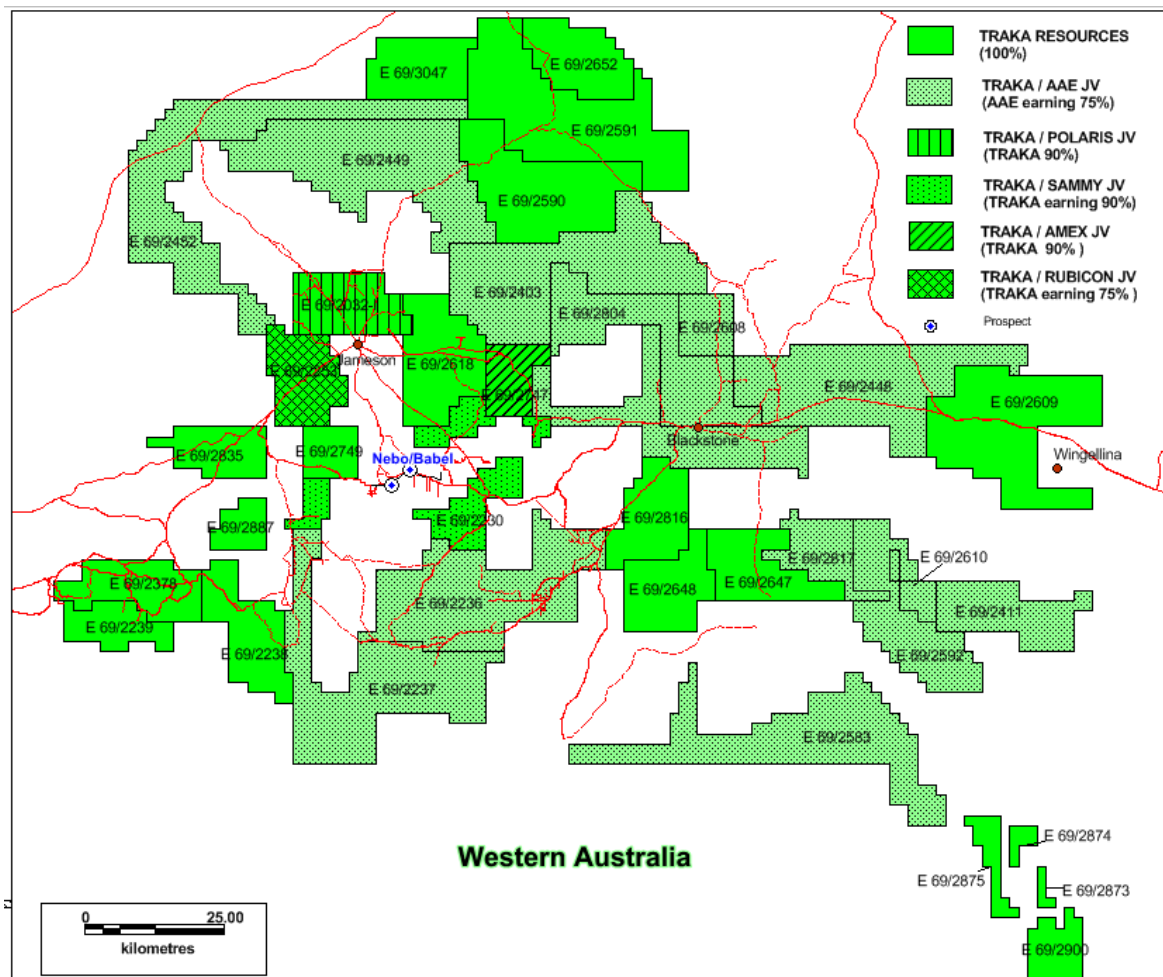


Figure 2. Musgrave Project location plan showing equity holding and tenement locations

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

AAE’s joint venture with Traka currently includes 13 exploration licences covering approximately 5,600 square kilometres. AAE has maintained a busy program of work from commencement of this joint venture and reports the following activity for the quarter:

Spectrem

A Spectrem airborne electromagnetic (“EM”) survey flown through the summer period has been completed over Blocks 9 and 10 (Figure 3). The Block 9 survey covers the areas considered most prospective for nickel (“Ni”), copper (“Cu”) and PGE (“Platinum Group Elements”) mineralisation over exploration licences EL69/2449 and EL69/2452. The Block 10 survey covers exploration licences EL69/2804, EL69/2805 and EL69/2808. The newly acquired Spectrem data has yet to be fully interpreted and merged with the previous survey work but a very obvious 750 metre long bedrock EM conductor (Morgan’s Anomaly) has been identified in tenement E69/2804 and will be followed up this year as a matter of priority.

A Spectrem survey of Block 12, which incorporates exploration licences EL69/2592, EL69/2610 and EL69/2817, is scheduled to commence in June 2012.

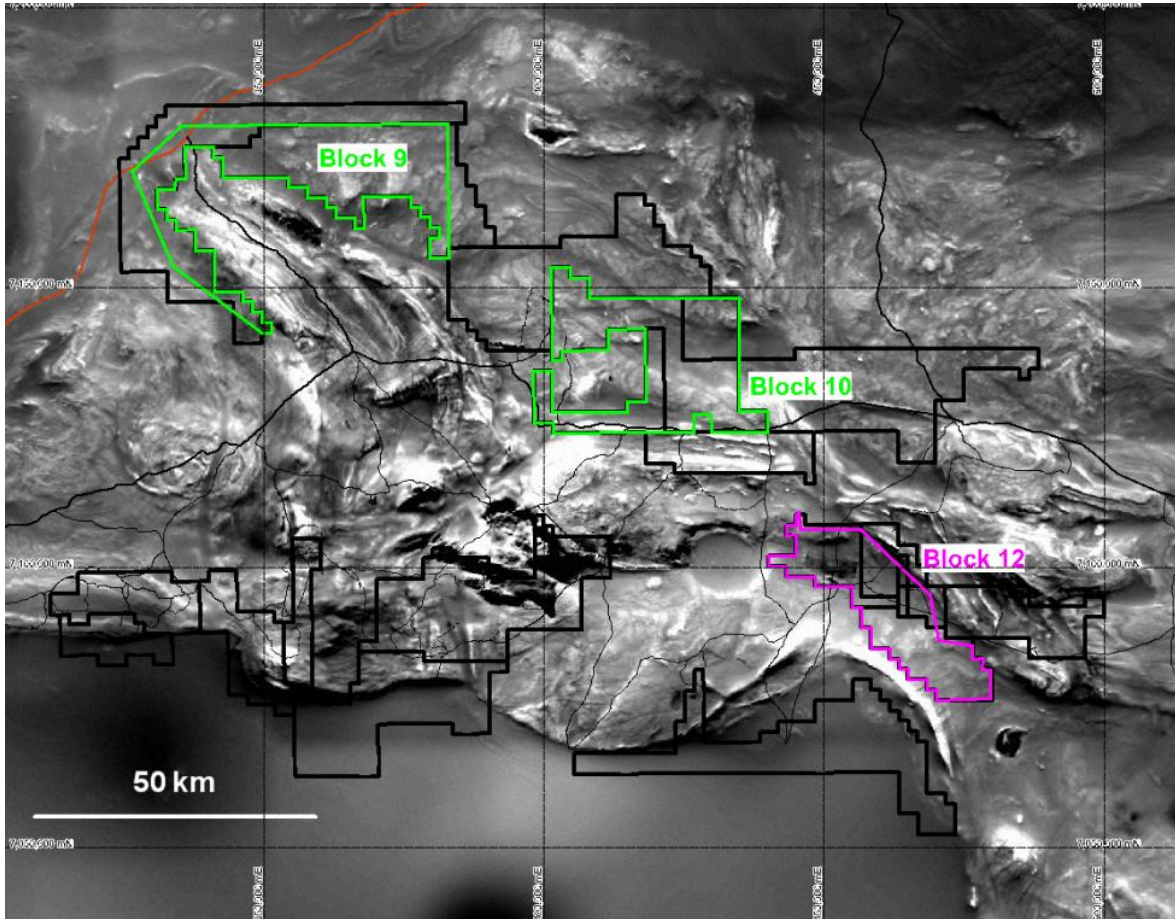


Figure 3. Location of Spectrem survey in Blocks 9, 10 and 12 within the Musgrave Project

Periscope Prospect – drilling and SQUID EM survey

Two 800 metre deep diamond drillholes have been scheduled to test the Periscope Prospect in a few weeks' time (Figure 4). The Periscope Prospect is a SQUID EM conductor identified by a survey along strike of a distinct north-east trending aeromagnetic and gravity feature which includes within it the Cu, Ni and PGE mineralisation discovered at Babel-Nebo about 15 kilometres to the northeast (owned by BHP Billiton). The Periscope conductor has been modeled as an 800m long target that sits approximately 500 to 700m below the surface (Figure 5).

The north-east trending gravity and aeromagnetic ridge shown in Figure 4 has been the main focus of exploration activity by BHP Billiton in the region following the discovery of Babel-Nebo. This activity over the past few years has included the use of multiple diamond drill rigs operating continuously and systematic ground EM and Induced Polarisation (“IP”) surveys. Deep diamond drill holes have been completed at several locations close to Traka’s exploration licence boundaries including several holes less than 1 kilometre from the Periscope Prospect.

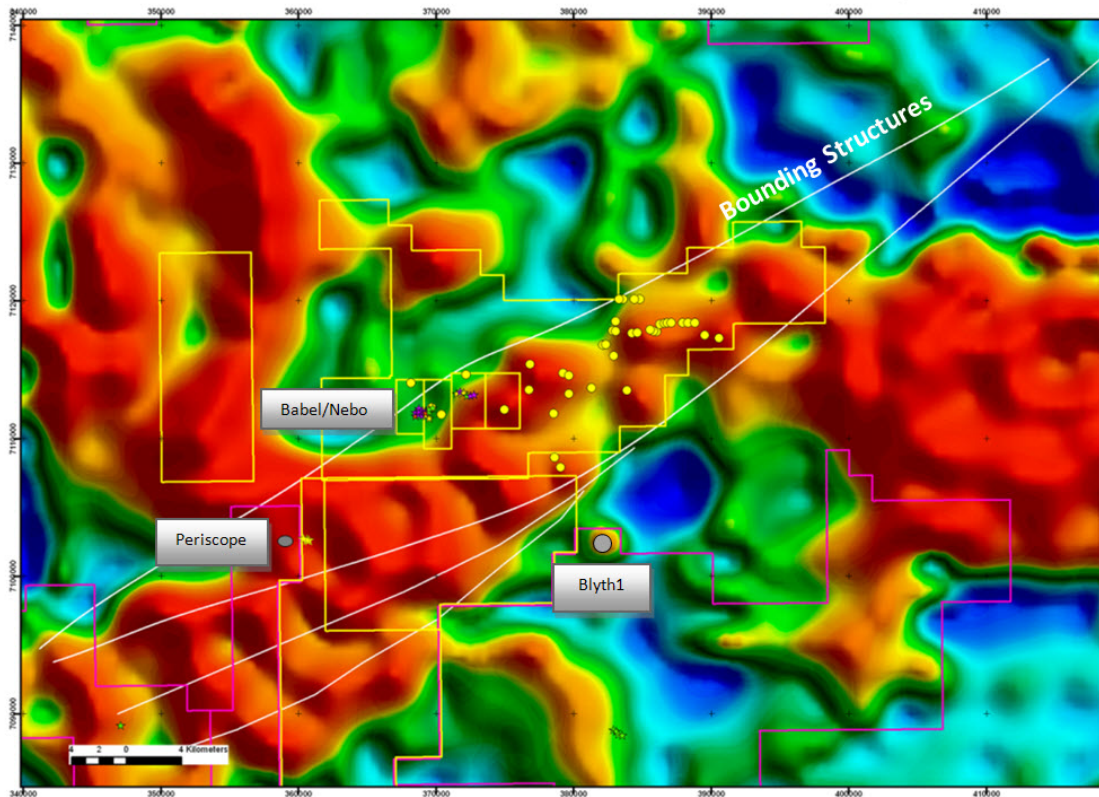


Figure 4. A gravity image showing the north-east trending gravity ridge, the bounding structures (white lines) and the position of Babel-Nebo, Periscope and some of BHP Billiton's exploration drilling positions (yellow dots).

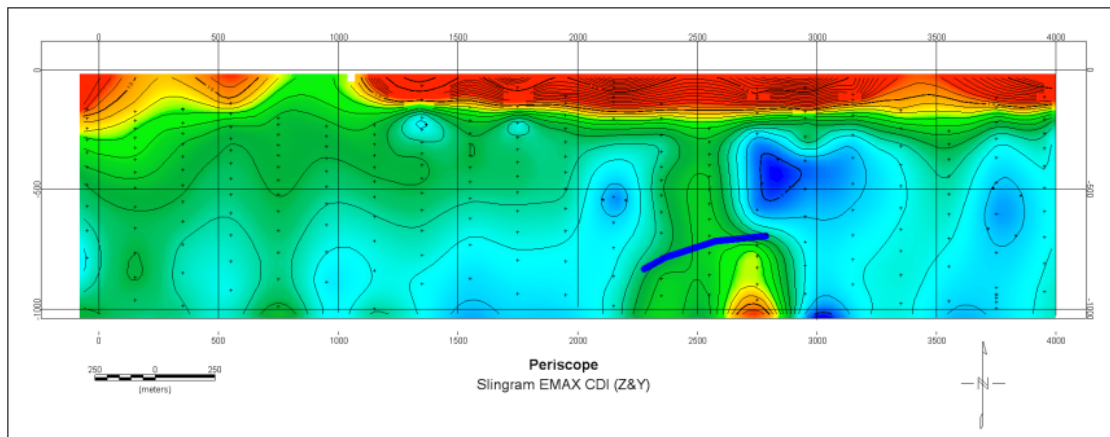


Figure 5. Long section view of the Periscope EM conductor located at between 500 to 700 metres below surface

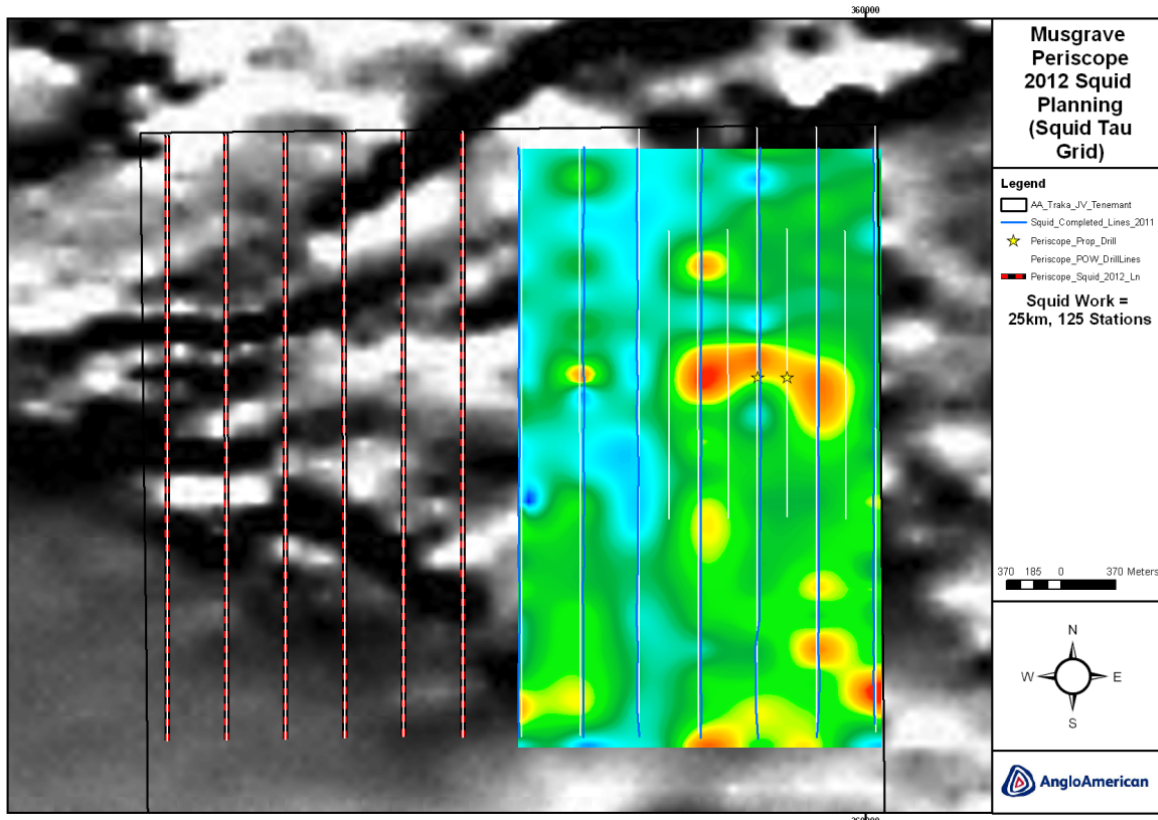


Figure 6. Plan view of the Periscope conductor, proposed diamond drillhole positions and new SQUID EM survey lines shown over an aeromagnetic image.

Concurrent with the drill program on Periscope, AAE will extend the SQUID EM survey another 2.4 kilometres to the west so that the full extent of the joint venture tenement in this area will be systematically tested.

Blyth 1 Prospect – SQUID EM survey

A SQUID EM survey is planned over a coincident magnetic and gravity feature in the north western part of exploration licence EL69/2236 (Figure 4 and 7). A total of 24 line kilometres and 120 stations have been planned. This survey will follow on from the Periscope EM survey and is expected to take approximately 2 weeks to complete.

Latitude Hill and Roquefort Prospects

Assay data for previous diamond drilling programs completed at the Latitude Hill and Roquefort Prospects did not indicate the presence of significant mineralisation at these locations. The unexpected intersection of a very thick sequence of magnetite rich rock at Latitude Hill is leading to further geological appraisal of this area but, at Roquefort, AAE have decided to withdraw from the area. The three western most exploration licences (EL69/2378, 2239 and 2238) that include the Roquefort Prospect have now been excluded by AAE from the joint venture and will now revert back fully to Traka.

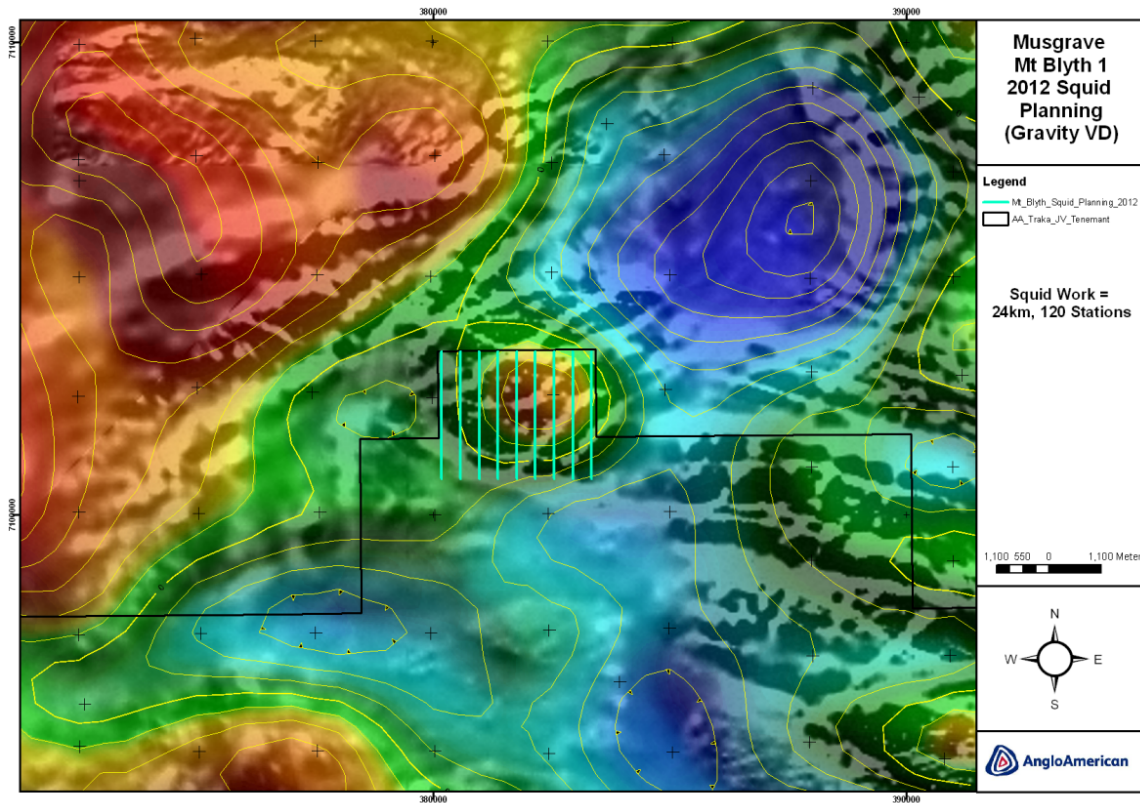


Figure 7. The Blyth 1 Prospect showing the location of EM survey lines (in green) over a circular gravity feature.

Skirmish Hill – RC drilling

A 10 hole Reverse Circulation (“RC”) drill program is being planned over the north western section of the Skirmish Hill exploration licence EL69/2583 (Figure 8). Previous auger geochemical surveys in this area identified two multi-element Ni, Cu and PGE anomalies coincident with strong magnetic and gravity features. Prospective mafic gabbroic rocks have been seen in some of the auger samples on the eastern anomaly.

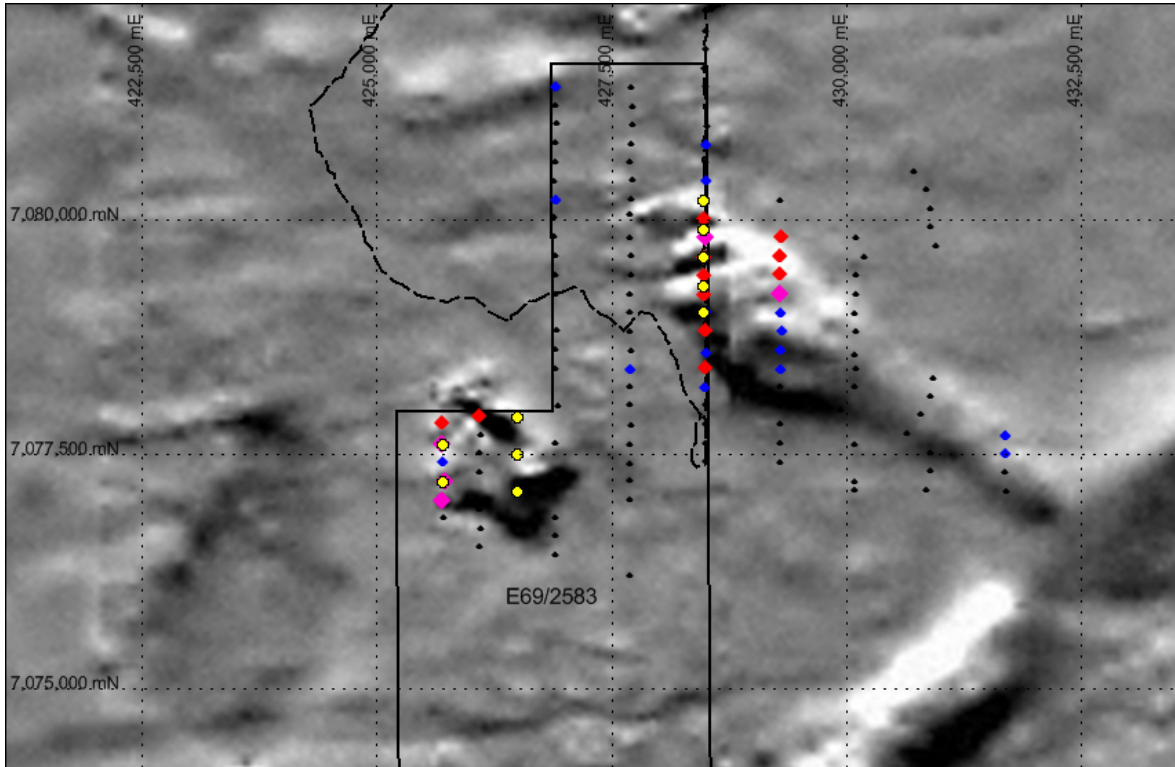


Figure 8 – The Skirmish Hill area showing the coincidence of anomalous Ni-Cu-PGE auger samples (coloured triangles) with aeromagnetics features and the position of the proposed RC holes.

The Musgrave Project - Traka managed

The status of the Musgrave Project under Traka’s management and an update of the exploration activity is provided below.

Jameson Area exploration activity

Exploration prospectivity in the Jameson area is summarised under four headings depending on the location, the nature of target and the stage of assessment.

1. The Jameson Intrusive

Within the layered Jameson Intrusive the location of numerous copper dominant geochemical anomalies can now be accounted for by the presence of multiple parallel layers of mineralised titaniferous magnetite rock (“TMR”). In addition to the copper content, which typically ranges between 0.02 to 0.30% Cu, the TMR is particularly rich in vanadium, titanium, PGE and iron (Figure 9). The basal TMR horizon, which is massive in form, is the richest and has an average grade suggested from rock-chip samples in the order of 46% Iron (“Fe”), 18% titanium dioxide (“TiO₂”), 0.67% vanadium pentoxide (“V₂O₅”) with PGE grades between 0.5 and 1.5grams per tonne (“g/t”). This unit is typically 1 to 3 metres wide but occasionally thickens to over 50 metres. The TMR horizons parallel to the massive basal horizon has the titaniferous magnetite component disseminated with other barren rock forming minerals and historic exploration results suggests a potential insitu grade in the order of about 27% Fe and 9.5% TiO₂.

The possibility of large scale resources with multi-commodity potential (Copper, Titanium, Vanadium, PGE and Iron) plus the early encouragement of good grades justifies the continued evaluation of this prospect. Key mineralogical and petrographic work is currently underway to determine the specific location and nature of the target metals within the TMR. This information will provide some early indications of the amenability of the targets metals to be liberated in conventional process routes.

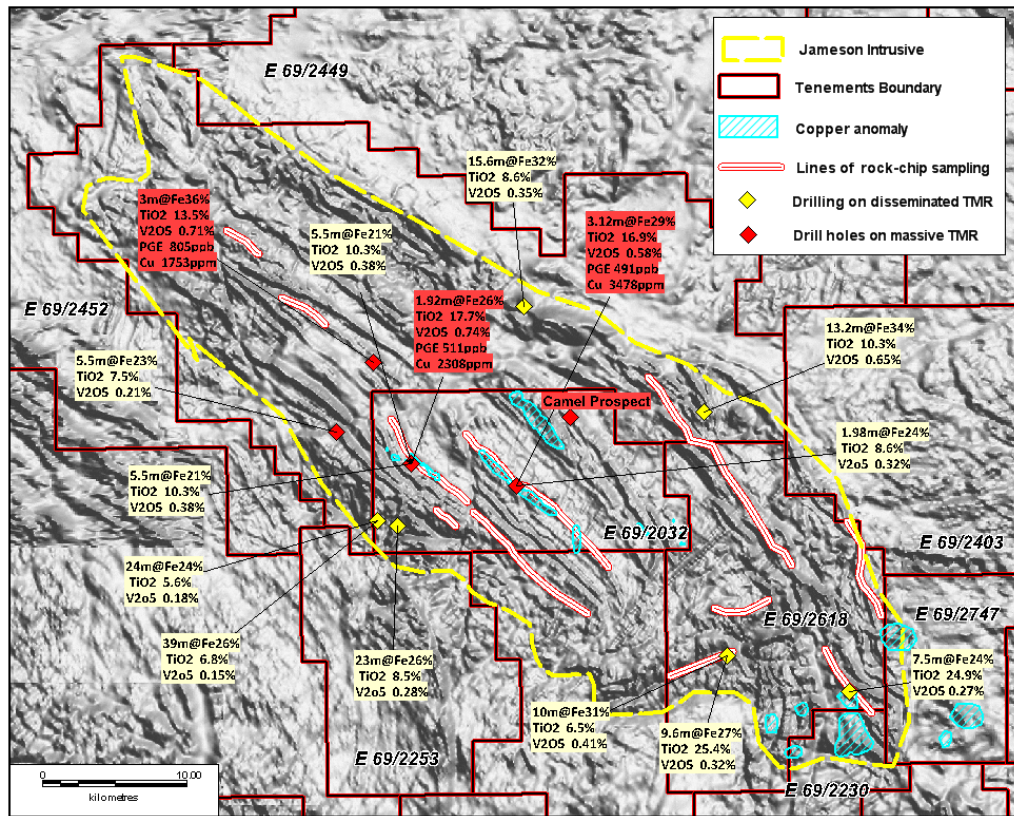


Figure 9. The layered Jameson Intrusive showing the location of the copper geochemical Anomalies and summary of rock chip and drillhole data.

2. The Camel Prospect

Within the layered Jameson Intrusive but as an exception to the copper mineralisation associated with TMR is the Camel Prospect. This strong 6 kilometre long copper geochemical anomaly overlies a wide (≥ 300 metre) shallowly dipping zone of low grade but consistent disseminated copper mineralisation grading between 0.11 to 0.15% Cu in gabbroic host rocks. The focus on this prospect principally revolves around the possibility that the copper mineralisation is indicative of the presence of a feeder zone or a mineralised late phase intrusive. Petrology, whole rock analysis and dating work is currently underway to provide some of these key geological parameters. Subject to this work the expectation is that further drilling will be undertaken to locate a higher grade core of mineralisation.

3. The Caesar Hill Project

The Caesar Hill Project (Exploration Licence EL69/2253) overlies a separate intrusive body immediately south of the large layered Jameson Intrusive (Figure 10). This intrusive is most readily observed in the gravity image shown in Figure 10 but is also

obvious in the regional aeromagnetic data. No ground exploration work has started on this project but a previous helicopter born EM survey (“VTEM”) has highlighted the presence of 10 priority targets (CHVA 1 to CHV10). These targets indicate the presence of in-ground electrical conductors which may relate to the presence of sulphides.

Follow up exploration work on these targets will comprise ground checks, geochemical sampling, ground based geophysics and drilling. Grant of a Mining Permit is awaited for this tenement but this is expected in the near future.

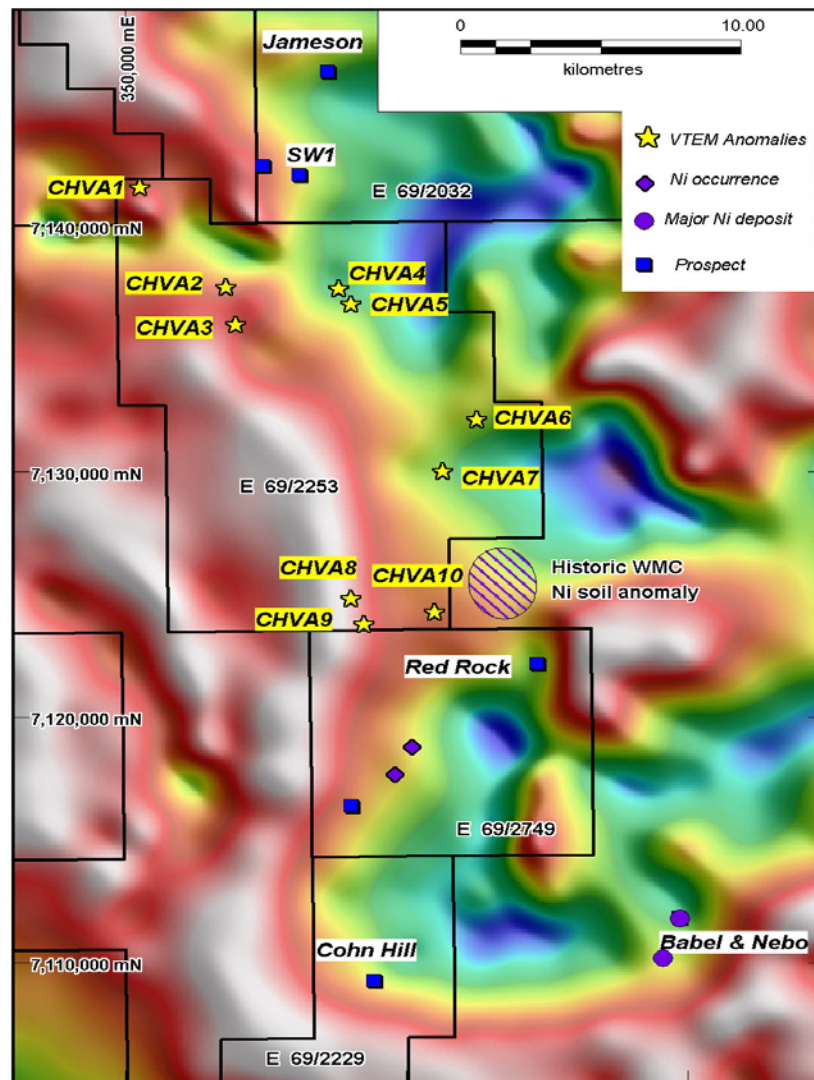


Figure 10. A gravity image showing the position of the Caesar Hill VTEM targets.

4. Exploration Licence EL69/2230

A number of coincident gravity, aeromagnetic and geochemical targets on the margins of the north-easterly trending aeromagnetic and gravity ridge, the focus of BHP Billiton’s exploration, remain to be investigated (Figure 11). These targets possibly

represent the positions of late phase intrusives or feeder zones to larger magmatic bodies. Conventional exploration techniques including geochemistry, geophysics and drilling can be used to test these areas.

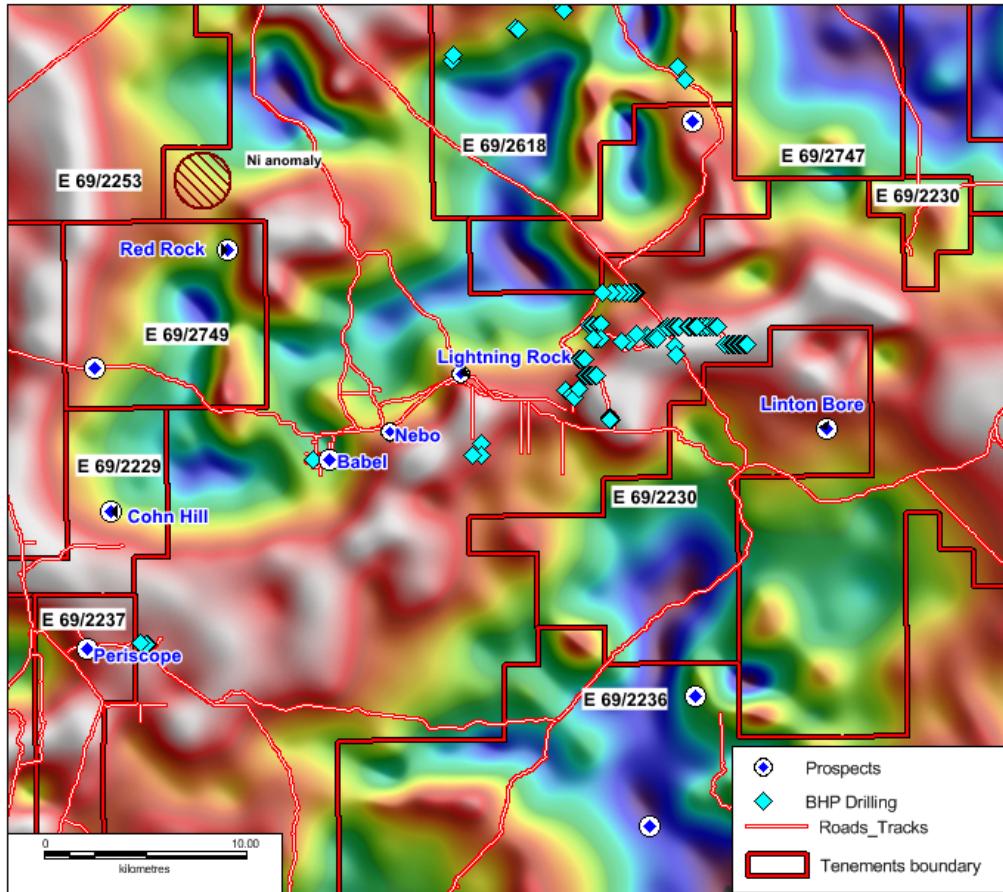


Figure 11. A gravity image highlighting the position of the north-easterly trending gravity ridge, the position of Babel Nebo, Traka’s tenements (in red) and the location of various prospects.

The Ravensthorpe Project

The Mt Short Base Metal Prospect

A diamond drill program (3 holes for 814.9 metres) on this prospect intersected significant sediment hosted stratabound lead and zinc mineralisation (Figure 12).

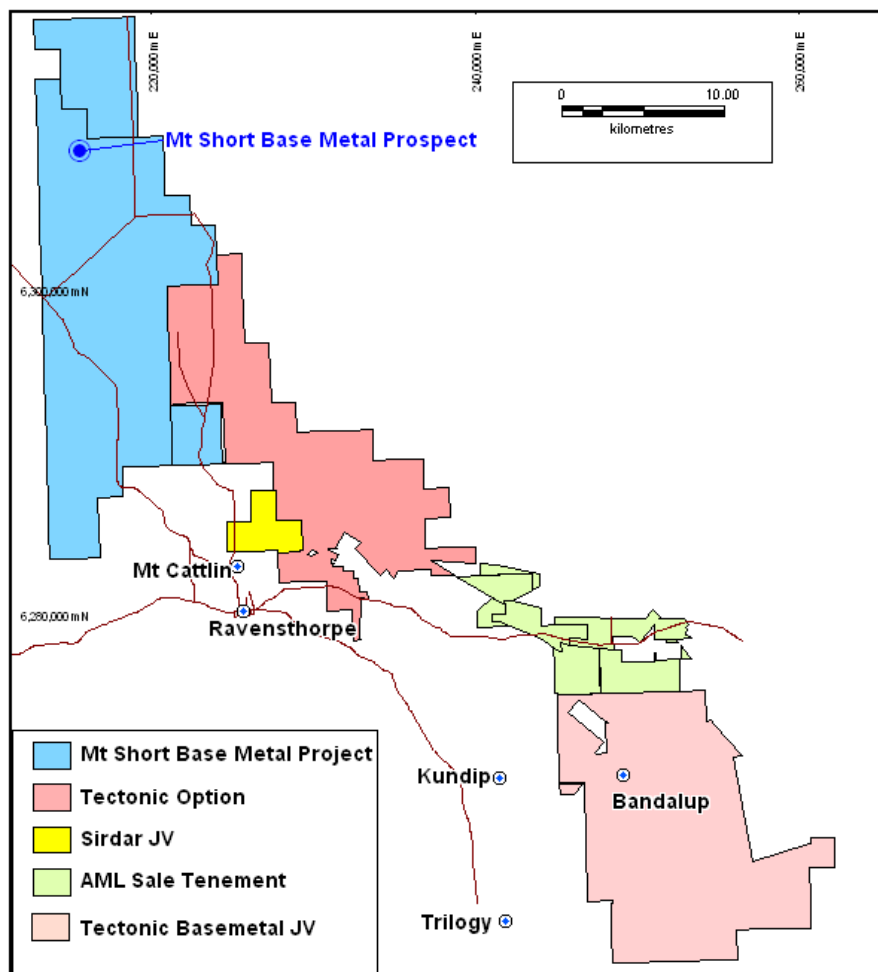


Figure 12. Location plan of the Ravensthorpe Project

The single best result was in drillhole RMSD20 which intersected 5 metres @ 2.38% zinc (“Zn”) and 0.66% lead (“Pb”). This intercept occurs within a 50 metre wide (true width) zone of lower grade mineralisation. A full tabulation of all the drill results is provided in Table 1.

The main target horizon of the Project extends over about 8 kilometres of strike and is defined by a linear, northerly trending aeromagnetic feature coincident with anomalous zinc and lead mineralisation detected in widely spaced aircore drill holes (Figure 13). A surface electromagnetic (“EM”) survey along this trend highlighted the presence of 5 conductors (MS1 to MS5). These are interpreted to represent the possible focuses of mineralisation along a stratigraphic corridor and therefore provided the obvious starting point for drilling.

In the diamond program just completed drillhole RMSD20 tested the MS5 target and drillholes RMSD18 and RMSD21 MS3 and MS43 respectively. The MS1 and MS2 targets remain to be tested.

Hole Id	EM Anomaly	East*	North*	From (m)	To (m)	Downhole Width(m)	Assay Zn% [○]	Assay Pb%		
RMSD18	MS3	775,292	6,308,361	131	133	2	0.40	0.46		
	MS3			including		125	129	4	0.37	0.68
	MS3			127	129	2	0.56	1.20		
	MS3			122	124	2	0.32	0.08		
RMSD20	MS5	774,054	6,310,606	279.3	288.3	9	1.50	0.47		
	MS5			including		281.3	286.3	5	2.38	0.66
	MS5			244.3	245.3	1	0.48	0.22		
	MS5			304	305	1	0.46	0.12		
	MS5			239.3	241.3	2	0.38	0.09		
	MS5			297	299	2	0.37	0.25		
	MS5			231.3	233.3	2	0.33	0.17		
	MS5			300	303	3	0.26	0.08		
	MS5			274.3	275.3	1	0.21	0.08		
	MS5			237.3	238.3	1	0.16	0.08		
	MS5			256.3	257.3	1	0.16	0.09		
	RMSD21			MS4	774,241	6,309,854	215	216	1	0.12

*Coordinate System: MGA94, Zone50

○ Mineralised Interval using 0.1 % Zn bottom cut-off

Table1: Drill hole assay data for diamond drilling program on the Mt Short Base Metal Prospect

At MS5 the initial surface EM surveying indicated the presence of a target about 500 x 500 metres in dimension starting at approximately 155 metres below surface. Drillhole RMSD20 confirmed this interpretation but a subsequent down-hole electromagnetic (DHEM) survey suggests a stronger large body of sulphides connected to the mineralised intercepts in the drill hole occurs below and in a south-east direction (Figure 14).

Drill hole RMSD21 tested the MS4 EM target located about 800 metres south of MS5. This target was modeled to be about 100 x 400 metres in dimension, dipping steeply west and starting at about 160 metres below surface. The hole intersected the target at about 200 metres below surface in the modeled position. Low levels of zinc, lead and copper occur in association with dominant pyrite and pyrrhotite and these barren sulphides largely account for the EM response. A DHEM survey of this hole has defined a large, strong conductor situated below and to the south-east of the drill hole and indicates that the mineralisation may extend and strengthen in that direction.

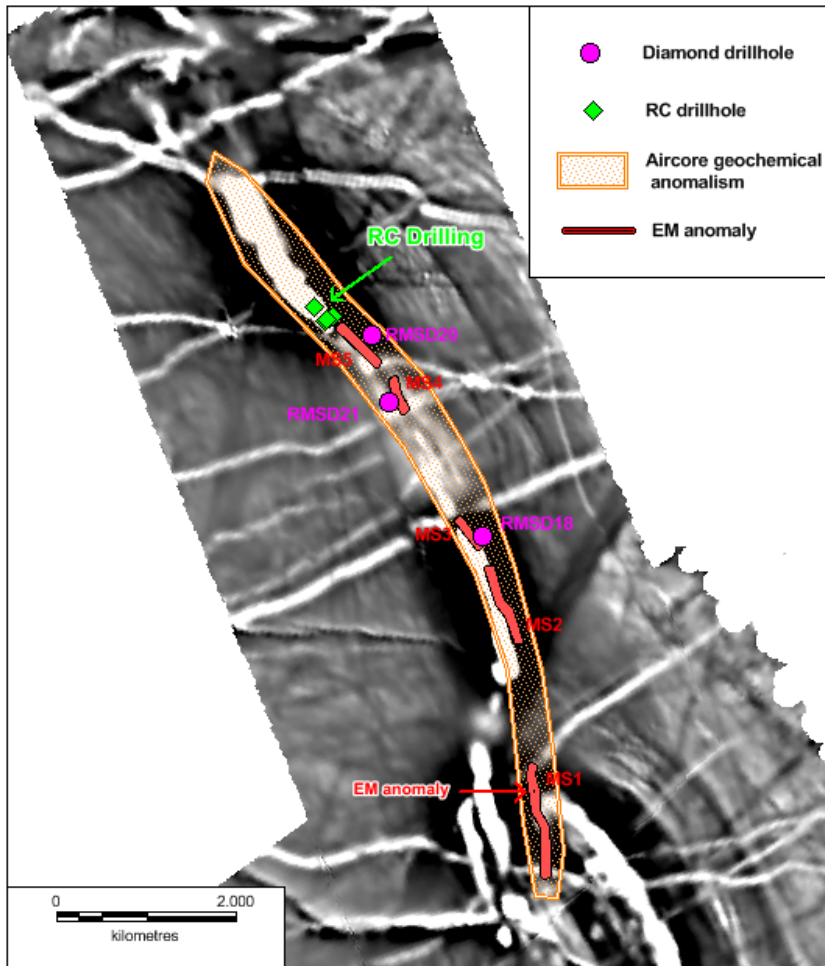


Figure 13. Mt Short Base Metal location plan showing the 5 EM anomalies and drill Holes within a coincident zone of geochemical anomalism over a magnetic image.

Drillhole RMSD18 tested the MS3 target which is located some 1700 metres south of the MS4 target. This target was modeled to be about 100 x 400 metres in size starting at about 160 metres below surface and dipping steeply east. The drillhole largely confirmed the EM model and a zone of base metal mineralisation was intersected (best intercept of 2 metres @ 0.56% Zn and 1.20% Pb) but a granitic intrusive body appears to have stoped out a large portion of the stratigraphic sequence in this position. A DHEM survey of this hole could not be done because the hole caved in.

The result of the drill program at Mt Short has advanced this prospect significantly. The large scale and favorable geological setting plus promising though sub-economic base metal grades and down-hole EM surveying has suggested good scope for better results as drilling continues.

Drilling on the Mt Short Project has been assisted by a grant under the Western Australian Government's Exploration Incentive Scheme.

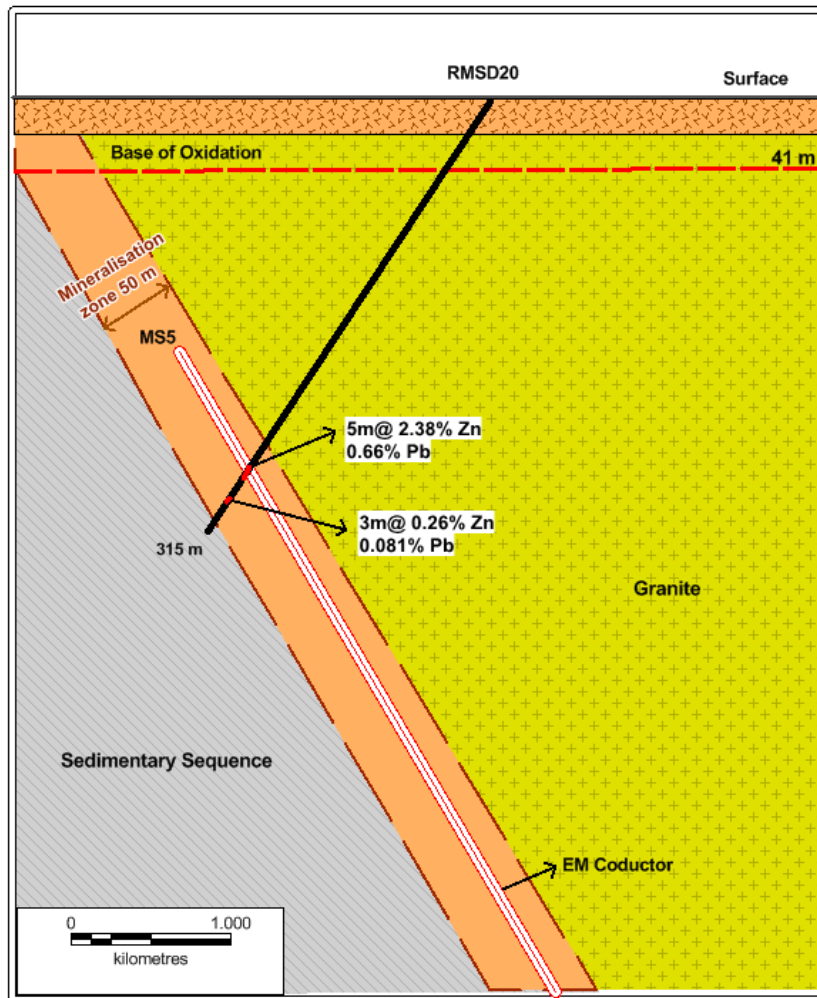


Figure 14: Schematic presentation of the MS5 target showing the drill hole RMSD20 in its geological setting, some drillhole intersection highlights and the position of MS5 EM target.

Sale of Tenements to AML

On the 5 March 2012 the Company disposed of a non-core asset comprising six mining tenements in the southern portion of the Company's large holdings in the Ravensthorpe area (Figure 12) to Australasian Mining Ltd ("AML") for the sum of \$250,000.

The sale of these tenements, which no longer form a focus to the Company's exploration endeavors, will allow concentration of Traka's cash and resources to higher priority projects which include the Mt Short Base Metal Project to the north of the Company's large tenement holdings at Ravensthorpe and the Musgrave Project in the center of Western Australia.

The Sirdar Joint Venture

(Galaxy earning 80%; Traka free carried)

No updated information is available for this joint venture.

The Phillips River Ltd Option and Base Metal Joint Venture

Phillips River Ltd report that a six hole RC drilling program has recently been completed in the Bandalup Gossan area. This drilling targeted previously identified gold and base metal mineralisation. Assay results are awaited for this work.

The two agreements with Phillips River Ltd (Formally Tectonic Resources Ltd) are currently subject to a purchase agreement of Phillips River Ltd Ravensthorpe assets to Silver Lake Resources Ltd. The purchase by Silver Lakes Resources Ltd is subject to shareholder approval.

The Lort River Project

The two Lort River tenements that comprise this project have been surrendered. Exploration programs by other companies in the immediate area have failed to indicate any significant prospectivity in the region and consequently, given the Company's focus on the larger more prospective Musgrave and Ravensthorpe Projects, further work by the Company is not merited.

Corporate

The encouraging exploration results and the pace of exploration activity in the Musgrave and Ravensthorpe Projects underpin the value of these assets to the Company and augers well for the longer term future.

The merits of scaling up the level of exploration in these projects is clear, but given the need for the Company to raise further working capital in depressed market conditions a number of strategies are currently being investigated to secure significant new sources of exploration funding.

As an interim measure and so as to enable due process and the proper ongoing management of the Company, it has accepted an offer of a short term loan facility totaling \$200,000 made by companies associated with two of the Company's Directors, Mr Joshua Pitt and Mr Neil Tomkinson. The loan facility is unsecured, on normal commercial terms and conditions and will only be drawn down as required.

Mr Patrick Verbeek
Managing Director

30 April 2012

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

TRAKA RESOURCES LIMITED

ABN

63 103 323 173

Quarter ended ("current quarter")

31 March 2012

Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities	Current Quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) Exploration & evaluation	(127)	(938)
(b) Development	-	-
(c) Production	-	-
(d) Administration	(135)	(485)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	10	46
Net Operating Cash Flows	(250)	(1,352)
Cash Flows Related to Investing Activities		
1.8 Payment for purchases of:		
(a) Prospects	-	-
(b) Equity investments	-	-
(c) Other fixed assets	(4)	(5)
1.9 Proceeds from sale of:		
(a) Prospects	-	-
(b) Equity investments	-	-
(c) Other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(4)	(5)
1.13 Total operating and investing cash flows (carried forward)	(254)	(1,357)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(254)	(1,357)
Cash Flows Related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.	-	98
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net Financing Cash Flows	-	98
Net Increase (Decrease) in Cash Held			
		(254)	(1,259)
1.20	Cash at beginning of quarter/year to date	405	1,410
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at End of Quarter	151	151

Payments to Directors of the Entity and Associates of the Directors
Payments to Related Entities of the Entity and Associates of the Related Entities

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

1.25 Explanation necessary for an understanding of the transactions

1.2 During the quarter the company recovered \$250,000 from the disposal of non-core exploration tenements. This cash inflow has been offset against exploration outflows.

3.1 A loan facility for short term working capital requirements has been put in place.

Non-Cash Financing and Investing Activities

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

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

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+ See chapter 19 for defined terms.

Financing Facilities Available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	200	0
3.2 Credit standby arrangements	-	-

Estimated Cash Outflows for Next Quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	140
Total	290

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	151	405
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposit	-	-
5.5 Other (detail)	-	-
Total Cash at End of Quarter (item 1.22)	151	405

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E74/411	Tenement surrendered	100%	0%
	E74/412	Tenement surrendered	100%	0%
	E69/2238	Transferred	100%	49%
	E69/2239	Transferred	100%	49%
	E69/2378	Transferred	100%	49%
6.2 Interests in mining tenements acquired or increased	P74/293	Tenement surrendered	100%	0%
	Nil			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺ securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	69,605,049	69,605,049		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	150,000 2,650,000 1,100,000		<i>Exercise price</i> 25 cents 21.25 cents 20.625 cents	<i>Expiry date</i> 5 April 2012 17 November 2013 15 November 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Peter Rutledge
Company secretary

Date: 30 April 2012

Print name: Peter Rutledge

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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