



# Traka Resources Limited

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ABN: 63 103 323 173

12 March 2012

Company Announcements Office

ASX Limited

PO Box H224 Australia Square

SYDNEY NSW 2000

Dear Sir / Madam

**Interim Financial Report for the half-year ended 31 December 2011**

Attached is the Traka Resources Limited Interim Financial Report for the half-year ended 31 December 2011.

Yours faithfully

Peter Ruttledge

Company Secretary

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**TRAKA RESOURCES LIMITED**

**ABN 63 103 323 173**

**INTERIM FINANCIAL REPORT**

**FOR HALF YEAR ENDED 31 DECEMBER 2011**

The interim financial statements do not include all the notes of the type normally included in an annual financial statement. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Traka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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**TRAKA RESOURCES LIMITED**

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

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## **TRAKA RESOURCES LIMITED**

### **DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

Your Directors present their report on Traka Resources Ltd ("Traka" or the "Company") for the half-year ended 31 December 2011.

#### **DIRECTORS**

The following persons were directors of the Company during the whole of the half-year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Neil Tomkinson  
Patrick Andrew Verbeek  
George Juris Petersons  
Joshua Norman Pitt

#### **REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS**

The Company has maintained an active exploration program over the year on the Musgrave and Ravensthorpe Projects and is accessing a number of newly discovered base metal, precious metal, iron, titanium and vanadium targets.

##### ***The Musgrave Project***

The Company maintains very substantial exploration interests in Musgrave region. These interests are held in a number of tenements held outright by the company as well as in 5 joint ventures. The company is managing four of these joint ventures and has the rights to earn majority interests in them. The fifth joint venture is with Anglo American (Australia) Pty Ltd ("AAE") and in this case AAE is the manager and AAE has the rights to earn majority interests. The AAE joint venture covers approximately 50% of the Traka's holdings in the Musgrave region.

Traka's exploration activities to date have generated a number of targets. Some are copper, nickel and platinum bearing mineralisation hosted in mafic and ultramafic rocks and others for vanadium, titanium and platinum mineralisation in magnetite rich rocks. Traka's exploration focus has concentrated around the Jameson area. This area is proximal to the large undeveloped nickel, copper and platinum resource of Babel and Nebo owned by BHP Billiton. Exploration work comprising geochemistry, geophysics, geology and drilling is planned to follow-up and expand the focus around the Jameson area.

The AAE exploration program has principally revolved around drill testing a number of airborne geophysical targets generated by their propriety Spectrem system. These targets are for sulphide hosted copper, nickel and platinum mineralisation hosted in mafic and ultramafic rocks. An extension to the initial Spectrem survey is currently underway and upon its completion the entire AAE joint venture will have been surveyed. Follow up of any targets generated by this survey will constitute AAE prime exploration focus into the future.

##### ***The Ravensthorpe Project***

Traka's exploration interests in the Ravensthorpe Greenstone Belt remain very significant through a mixture of ground held and explored in its own right along with joint venture interests held with three other parties active in the region. The Company has a 20% Free Carry interest in ground prospective for Lithium and Tantalum adjacent the newly developed Mount Catlin Lithium Tantalum Mine owned and operated by Galaxy Resources Ltd. It also has two blocks of ground farmed out to Phillips River Mining Ltd prospective for base metals and gold. Traka also retains a Royalty interest for any Laterite mining that may occur on certain of the Company's tenement should First Quantum new start-up operations of the Ravensthorpe Nickel Operations expand.

In the Company's own right a drilling program has just been completed to test the Mt Short base metals anomaly. Compilation of this work is currently underway.

## **TRAKA RESOURCES LIMITED**

### **DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

#### *The Lort River Project*

This Project is prospective for gold and uranium. No significant exploration activity has occurred on these tenements over the past year.

#### **EVENTS OCCURRING AFTER BALANCE DATE**

Subsequent to balance date the Company has disposed of a non-core asset comprising six mining tenements in the southern portion of the Company's holdings in the Ravensthorpe area for the cash sum of \$250,000.

#### 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 Ltd. 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.*

#### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out in this Interim Financial Report.

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



**NEIL TOMKINSON**  
Chairman

Dated at Perth on 9 March 2012

**TRAKA RESOURCES LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Note	<b>31 December 2011</b>	31 December 2010
		\$	\$
Revenue from continuing operations	3	<b>14,851</b>	31,920
Other income	3	<b>27,279</b>	80,600
Exploration and evaluation expenditure		<b>(678,028)</b>	(749,344)
Administration expenses	4	<b>(470,558)</b>	(615,455)
<b>Loss before income tax</b>		<b>(1,106,456)</b>	(1,252,279)
Income tax expense		-	-
<b>Loss for the half year</b>		<b>(1,106,456)</b>	(1,252,279)
<b>Total comprehensive loss for the half year attributable to owners of the Company</b>		<b>(1,106,456)</b>	(1,252,279)
		<b>Cents</b>	Cents
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company		<b>(1.61)</b>	(2.11)

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

**TRAKA RESOURCES LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011**

	<b>31 December 2011</b>	30 June 2011
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	<b>404,798</b>	1,410,485
Trade and other receivables	<b>40,294</b>	76,291
<b>Total current assets</b>	<b>445,092</b>	1,486,776
<b>Non-current Assets</b>		
Trade and other receivables	<b>14,000</b>	14,000
Property, plant and equipment	<b>125,218</b>	138,889
<b>Total non-current assets</b>	<b>139,218</b>	152,889
<b>Total assets</b>	<b>584,310</b>	1,639,665
<b>Current Liabilities</b>		
Trade and other payables	<b>95,032</b>	273,288
Provisions	<b>-</b>	450
<b>Total current liabilities</b>	<b>95,032</b>	273,738
<b>Total liabilities</b>	<b>95,032</b>	273,738
<b>Net assets</b>	<b>489,278</b>	1,365,927
<b>Equity</b>		
Contributed equity	5 <b>10,593,504</b>	10,495,004
Reserves	6 <b>645,837</b>	514,530
Accumulated losses	<b>(10,750,063)</b>	(9,643,607)
<b>Total equity</b>	<b>489,278</b>	1,365,927

*The above Statement of Financial Position should be read in conjunction with the accompanying notes*

**TRAKA RESOURCES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	Contributed Equity \$	Share Based Payments Reserve \$	Exercised Option Reserve \$	Accumulated Losses \$	Total \$
<b>As at 1 July 2011</b>	<b>10,495,004</b>	<b>482,630</b>	<b>31,900</b>	<b>(9,643,607)</b>	<b>1,365,927</b>
Loss for the period	-	-	-	<b>(1,106,456)</b>	<b>(1,106,456)</b>
Total comprehensive loss for the period	-	-	-	<b>(1,106,456)</b>	<b>(1,106,456)</b>
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares net of transaction costs	<b>98,500</b>	-	-	-	<b>98,500</b>
Issue of options	-	<b>131,307</b>	-	-	<b>131,307</b>
Transfer on exercise of options	-	<b>(32,900)</b>	<b>32,900</b>	-	-
<b>As at 31 December 2011</b>	<b>10,593,504</b>	<b>581,037</b>	<b>64,800</b>	<b>(10,750,063)</b>	<b>489,278</b>
 <b>As at 1 July 2010</b>	 8,529,410	 245,580	 -	 (7,206,007)	 1,568,983
Loss for the period	-	-	-	<b>(1,252,279)</b>	<b>(1,252,279)</b>
Total comprehensive loss for the period	-	-	-	<b>(1,252,279)</b>	<b>(1,252,279)</b>
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares net of transaction costs	402,913	-	-	-	402,913
Issue of options	-	268,950	-	-	268,950
Transfer on exercise of options	-	<b>(31,900)</b>	31,900	-	-
<b>As at 31 December 2010</b>	<b>8,932,323</b>	<b>482,630</b>	<b>31,900</b>	<b>(8,458,286)</b>	<b>988,567</b>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes*



**TRAKA RESOURCES LIMITED****STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	<b>31 December 2011</b>	31 December 2010
	\$	\$
<b>Cash flows from operating activities</b>		
Interest received	22,715	42,175
Receipts from sublease of premises	36,069	78,434
Payments to suppliers and employees	(349,546)	(363,337)
Payments for exploration activities	(1,092,697)	(754,907)
Recovery of exploration expenditure	280,000	-
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(1,103,459)</b>	<b>(997,635)</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Payments for plant & equipment	(728)	(7,986)
	<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>	<b>(728)</b>	<b>(7,986)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	100,000	420,000
Payment for share issue costs	(1,500)	(13,662)
	<hr/>	<hr/>
<b>Net cash inflows from financing activities</b>	<b>98,500</b>	<b>406,338</b>
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,005,687)</b>	<b>(599,283)</b>
Cash and cash equivalents at the beginning of the half year	1,410,485	1,616,232
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the half year</b>	<b>404,798</b>	<b>1,016,949</b>
	<hr/>	<hr/>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## TRAKA RESOURCES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

#### NOTE 1. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL STATEMENTS

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements.

The half-year financial statements should be read in conjunction with the annual financial statements of Traka Resources Limited as at 30 June 2011.

It is also recommended that the half-year financial statements be considered together with any public announcements made by Traka Resources Limited during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

##### (a) Basis of Accounting

The half-year financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 “*Interim Financial Reporting*” and other mandatory professional reporting requirements.

The half-year financial statements have been prepared on the accruals basis and are based on historical cost modified for financial assets and liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

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

##### (b) Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company’s annual Financial Statements for the year ended 30 June 2011 and corresponding interim reporting period.

##### (c) Going Concern

The Company incurred a loss for the half year of \$1,106,456 (2010: \$1,252,279) and a net cash outflow from operating activities of \$1,103,459 (2010: \$997,635).

At 31 December 2011 the Company had cash assets of \$404,798 and working capital of \$350,060.

Whilst the Directors consider that the Company has sufficient cash and assets to meet its ongoing exploration commitments and administration expenditure through the next 6 months, they recognise the need for the supply of additional funds to meet working capital requirements into the future. Based on known potential to raise the additional working capital and the Company’s modest ongoing exploration costs, the Directors consider it appropriate that the finance report be prepared on a going concern basis.

**TRAKA RESOURCES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011****NOTE 2. SEGMENT INFORMATION**

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

	<b>31 December 2011</b>	30 June 2011
	\$	\$
Reportable segment assets	<u>125,218</u>	<u>138,889</u>
	<b>31 December 2011</b>	31 December 2010
	\$	\$
Reportable segment loss	<u>(678,028)</u>	<u>(749,344)</u>
<b>Reconciliation of reportable segment loss</b>		
Reportable segment loss	(678,028)	(749,344)
Other profit	42,130	112,520
Unallocated: Corporate expenses	<u>(470,558)</u>	<u>(615,455)</u>
Loss before tax	<u>(1,106,456)</u>	<u>(1,252,279)</u>

**NOTE 3. REVENUE****Revenue from continuing operations**

Interest received	14,851	31,920
Other income	<u>27,279</u>	<u>80,600</u>

Other income constitutes income from sublease of office premises on normal commercial terms and conditions

**NOTE 4. EXPENSES**

Loss before income tax includes the following administration expenses:

## Personnel expenses:

Salaries, management fees and associated expenses	324,143	395,869
Share based payments	131,307	268,950
Recharge to exploration expenditure	<u>(186,251)</u>	<u>(217,056)</u>
	<b>269,199</b>	<b>447,763</b>
Depreciation	14,399	8,696
Other Expenses:		
Rental and rates (office, storage, parking)	76,555	71,195
Company secretarial and accounting	33,849	25,002
Audit and tax	10,166	10,000
Communications	12,332	11,141
ASX fees	20,860	15,789
Other	<u>33,198</u>	<u>25,869</u>
	<b>470,558</b>	<b>615,455</b>

**TRAKA RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

**NOTE 5. EQUITY SECURITIES ISSUED**

	<b>31 December 2011</b>	31 December 2010	<b>31 December 2011</b>	31 December 2010
	<b>No of Shares</b>	No of Shares	<b>\$</b>	<b>\$</b>
<b>a) Ordinary Shares</b>				
<b>Fully paid</b>				
<b>At 1 July</b>	<b>68,605,049</b>	58,914,147	<b>10,495,005</b>	8,529,411
Issue of shares	<b>1,000,000</b>	2,100,000	<b>100,000</b>	420,000
Less cost of share issue	-	-	<b>(1,500)</b>	(17,087)
<b>At 31 December</b>	<b>69,605,049</b>	61,014,147	<b>10,593,505</b>	8,932,324
	<b>31 December 2011</b>	31 December 2010	<b>31 December 2011</b>	31 December 2010
	<b>No of Options</b>	No of Options	<b>\$</b>	<b>\$</b>
<b>b) Options</b>				
<b>Unlisted</b>				
<b>At 1 July</b>	<b>4,900,000</b>	3,150,000	<b>482,630</b>	245,580
Issue of options	<b>1,100,000</b>	2,750,000	<b>131,307</b>	268,950
Exercised options	<b>(1,000,000)</b>	(1,000,000)	<b>(32,900)</b>	(31,900)
Expired options	<b>(1,100,000)</b>	-	-	-
<b>At 31 December</b>	<b>3,900,000</b>	4,900,000	<b>581,037</b>	<b>482,630</b>

**NOTE 6. EQUITY RESERVES**

	<b>31 December 2011</b>	31 December 2010
Share based payment reserve	<b>581,037</b>	482,630
Exercised option reserve	<b>64,800</b>	31,900
	<b>645,837</b>	514,530

**Nature and purpose of reserves**

The share based payments reserve records items recognised as expenses on valuation of options issued to the Managing Director and employees.

The exercised option reserve arises on the exercise of options when the share based payment reserve attributable to the options being exercised is transferred to this reserve.

## TRAKA RESOURCES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

#### NOTE 7. SHARED BASED PAYMENTS

The Company from time to time issues options to the Managing Director, key management personnel and other staff members as part of their remuneration.

During the half year ended 31 December 2011, 100,000 options were granted to staff and 1,000,000 options were issued to the Managing Director following shareholder approval on 16 November 2011.

The assessed fair value, and hence the cost to the Company, of the options granted during the half year to 31 December 2011 was 131,307. The fair value has been calculated as at the date of grant using the Black-Scholes model for the valuation of all options. The assumptions used in arriving at the value of the options issued are set out below:

	<b>31 December 2011</b>
No of options granted	1,100,000
Grant date	16 November 2011
Expiry date	15 November 2014
Exercise price per share	20.625 cents
Expected average life of the options	3 years
Underlying security spot price at time of grant	16.5 cents
Risk free interest rate	3.33%
Expected volatility	130%

#### NOTE 8. COMMITMENTS FOR EXPENDITURE

In order to maintain the mineral tenements in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. Since the last reporting date, there has been no material change to these commitments.

#### NOTE 9. RELATED PARTIES

Since the end of the previous reporting date arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2011 annual financial statements.

In December 2011, the Managing Director exercised 1,000,000 options at an exercise price of 10 cents each to acquire 1,000,000 ordinary shares in the Company.

The Company issued the Managing Director with 1,000,000 unlisted options at an exercise price of 20.625 cents following shareholder approval at the Annual General Meeting on 16 November 2011. These options vested at grant date. Fair values at grant date are determined using a Black-Scholes option pricing model.

<b>Director</b>	<b>Number of options</b>	<b>Value \$</b>
P Verbeek	1,000,000	119,370

**TRAKA RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

**NOTE 10. EVENTS OCCURRING AFTER BALANCE DATE**

Subsequent to balance date the Company has disposed of a non-core asset comprising six mining tenements in the southern portion of the Company's holdings in the Ravensthorpe area for the cash sum of \$250,000.

Other than stated in this report no material items, transactions or events have arisen subsequent to 31 December 2011 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in these statements.

**NOTE 11. CONTINGENT LIABILITIES**

There are no contingent liabilities or assets and since the last annual statements date there has been no material change of any contingent liabilities or contingent assets.

**TRAKA RESOURCES LIMITED**

**DIRECTORS DECLARATION  
FOR HALF YEAR ENDED 31 DECEMBER 2011**

The directors of the Company declare that:

1. the financial statements and notes, as set out on this Interim Financial Statement, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the company's financial position as at 31 December 2011 and of the performance for the half-year ended on that date.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**NEIL TOMKINSON**  
Chairman

Dated at Perth on 9 March 2012

9 March 2012

The Board of Directors  
Traka Resources Limited  
Suite 2, Ground Floor  
43 Ventnor Avenue  
West Perth WA 6005

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF  
TRAKA RESOURCES LIMITED**

As lead auditor for the review of Traka Resources Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Traka Resources Limited.

BDO  


**Chris Burton**  
Director

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



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TRAKA RESOURCES LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Traka Resources Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Traka Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Traka Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Traka Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1(c) in the half-year financial report which indicates that Traka Resources Limited incurred a net loss of \$1,106,455 during the half-year ended 31 December 2011 and, as of that date, the disclosing entity's working capital was \$350,060. These conditions, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty which may cast significant doubt about the disclosing entity's ability to continue as a going concern and therefore, the disclosing entity may be unable to realise its assets and discharge its liabilities in the normal course of business at amount stated in the financial report.

## BDO Audit (WA) Pty Ltd

BDO  


**Chris Burton**  
Director

Perth, Western Australia  
Dated on this 9<sup>th</sup> day of March 2012