



Traka Resources Limited

ABN: 63 103 323 173

11 March 2014

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 2013

Attached is the Traka Resources Limited Interim Financial Report for the half-year ended 31 December 2013.

Yours faithfully

Peter Rutledge

Company Secretary

TRAKA RESOURCES LIMITED

ABN 63 103 323 173

INTERIM FINANCIAL REPORT

FOR HALF YEAR ENDED 31 DECEMBER 2013

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 2013 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*.

TRAKA RESOURCES LIMITED

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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TRAKA RESOURCES LIMITED

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2013

Your Directors present their report on Traka Resources Limited (“Traka” or “the Company”) for the half year ended 31 December 2013.

DIRECTORS

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

Neil Tomkinson	Chairman - Non Executive
Patrick Andrew Verbeek	Managing Director
George Juris Petersons	Director - Non Executive
Joshua Norman Pitt	Director - Non Executive

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

The Company’s exploration interests are held in the Musgrave and Ravensthorpe Project areas. The Company has remained active in the Musgraves and has farmed out its interests in the Ravensthorpe Project in order to be able to concentrate on the Musgrave Project. A brief description of each of the projects follows:

The Musgrave Project

The Company continues to maintain a very substantial exploration portfolio in the Musgrave area. All granted tenements held in the Musgraves are currently farmed out to either Western Areas Ltd (“WSA”) or Anglo American Exploration (Australia) Pty Ltd (“AAE”). WSA and AAE are the managers of these joint ventures and they each have the right to earn between 70% and 80% equity in the joint venture tenements by meeting certain expenditure requirements and free-carrying Traka’s remaining 20% to 30% equity through to completion of a Bankable Feasibility Study. The remaining tenements that comprise the Musgrave Project are in the application phase and are solely Traka’s – the granting of these tenements awaits finalisation of access agreements and heritage surveys.

WSA’s joint venture activities centre around the copper, nickel and platinum potential hosted within multiple mafic and ultramafic intrusive rocks in the Jameson area and a number of targets have been highlighted and drilled. The Jameson area is proximal to the large undeveloped nickel, copper and platinum resource of Babel and Nebo owned by BHP Billiton.

The AAE joint venture activity principally revolves around drill testing of a number of airborne geophysical targets generated by their propriety airborne electromagnetic system, Spectrem. The Spectrem targets seek massive sulphide hosted copper, nickel and platinum mineralisation in the same suite of mafic and ultramafic intrusive rocks that characterise the Musgrave region.

The Ravensthorpe Project

Traka’s exploration interests in the Ravensthorpe Greenstone Belt remain significant and are now entirely held by way of 5 separate agreements. The Company retains a 20% Free Carry interest in ground prospective for lithium, tantalum and gold adjacent to the Mount Catlin Lithium Tantalum Mine owned and operated by Galaxy Resources Limited. The company has also entered into four Option Agreements with Silver Lake Resources Limited (“Silver Lake”). The Option Agreements with Silver Lake consolidate Traka’s mix of wholly owned tenements and joint venture interests in the region with that of Silver Lake’s expanded Great Southern Project. Under the terms of each Option Agreement, Silver Lake is obliged to maintain the tenements in good standing and, after a six month period, may choose to withdraw from any one of the Option Agreements with no retained interest, or, in the case of two areas, Mt Short and Bandalup, proceed to earn 80% equity and free carry Traka’s interest to completion of a Bankable Feasibility Study. Silver Lake recently extended the Option Period by a further 12 months on three of the Option Areas by payment of \$62,500 for each area.

TRAKA RESOURCES LIMITED

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

Corporate

During the half-year the Company issued 19,041,639 shares at 6 cents per share in a placement to sophisticated and professional investors followed by a share purchase plan to raise \$1,067,964 after costs.

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

Perth, 11 March 2014

TRAKA RESOURCES LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	Note	31 December 2013 \$	31 December 2012 \$
Revenue from continuing operations	3	4,523	8,938
Other income	3	62,500	116
Exploration and evaluation recovery / (expense)		156,529	(248,911)
Administration expenses	4	(438,732)	(315,450)
Loss before income tax		(215,180)	(555,307)
Income tax expense		-	-
Loss for the half year		(215,180)	(555,307)
Total comprehensive loss for the half year attributable to ordinary equity holders of the Company		(215,180)	(555,307)
		Cents	Cents
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company		(0.22)	(0.66)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	31 December 2013 \$	30 June 2013 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,128,879	47,439
Trade and other receivables		24,749	440,589
Total current assets		1,153,628	488,028
Non-current assets			
Trade and other receivables		-	14,000
Property, plant and equipment		76,115	92,304
Total non-current assets		76,115	106,304
Total assets		1,229,743	594,332
LIABILITIES			
Current liabilities			
Trade and other payables	5	63,790	364,813
Total current liabilities		63,790	364,813
Non-current liabilities			
Trade and other payables	6	1,400	-
Total non-current liabilities		1,400	-
Total liabilities		65,190	364,813
Net assets		1,164,553	229,519
EQUITY			
Issued capital	7	12,571,592	11,503,628
Reserves	8	703,480	621,230
Accumulated losses		(12,110,519)	(11,895,339)
Total equity		1,164,553	229,519

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 2013**

	Contributed Equity	Share Based Payments Reserve	Exercised Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
As at 1 July 2013	11,503,628	556,430	64,800	(11,895,339)	229,519
Comprehensive income:					
Loss for the half year	-	-	-	(215,180)	(215,180)
Total comprehensive loss for the half year	-	-	-	(215,180)	(215,180)
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares net of transaction costs	1,067,964	-	-	-	1,067,964
Issue of options	-	82,250	-	-	82,250
As at 31 December 2013	12,571,592	638,680	64,800	(12,110,519)	1,164,553
As at 1 July 2012	10,593,504	556,430	64,800	(11,205,197)	9,537
Comprehensive income:					
Loss for the half year	-	-	-	(555,307)	(555,307)
Total comprehensive loss for the half year	-	-	-	(555,307)	(555,307)
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares net of transaction costs	909,661	-	-	-	909,661
As at 31 December 2012	11,503,165	556,430	64,800	(11,760,504)	363,891

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 2013**

	31 December 2013	31 December 2012
	\$	\$
Cash flows from operating activities		
Interest receipts	4,523	8,447
Interest payments	-	(4,242)
Receipts from sublease of premises	-	8,462
Receipts of option fees	187,500	125,000
Recovery of security deposit	14,000	-
Reimbursement of security deposit	(14,000)	-
Payments to suppliers and employees	(345,929)	(288,062)
Payments for exploration activities	(104,619)	(251,885)
Receipt of exploration expense recoveries	273,818	-
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	15,293	(402,280)
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for plant and equipment	(1,817)	-
Payment for acquisition of exploration right	(250,000)	-
Reimbursement of exploration right payment	250,000	-
	<hr/>	<hr/>
Net cash outflow from investing activities	(1,817)	-
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from share issue	1,142,500	928,061
Payment for share issue costs	(74,536)	(18,400)
Proceeds from loan facility	-	50,000
Repayment of loan facility	-	(200,000)
	<hr/>	<hr/>
Net cash inflow from financing activities	1,067,964	759,661
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,081,440	357,381
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the half year	47,439	61,327
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Cash and cash equivalents at the end of the half year	1,128,879	418,708
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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 2013

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 2013.

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 2013 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 2013 and corresponding interim reporting period, except as follows:

Change of Accounting Policies:

AASB 13 - Fair value measurement. This new AASB has been adopted with effect from 1 July 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across all Australian Accounting Standards. The standard provides guidance on how fair value accounting should be applied where its use is already required or permitted under Australian Accounting Standards.

AASB 119 – Employee benefits. This amended AASB became effective from 1 July 2013. The main changes to the standard relate to defined benefit plans, the timing for recognition of liabilities for termination benefits, and the calculation of employee benefits such as annual leave. The Company does not have any defined benefit plans, nor does it have employees entitled to termination benefits and, since the annual leave benefits of the Company’s small number of employees are expected to be fully utilised within 12 months, the adoption of this standard has had no effect on the Company’s financial statements.

TRAKA RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 2. SEGMENT INFORMATION

The Directors of Traka Resources Limited, who, collectively as the Board are the chief operating decision makers, have 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.

	31 December 2013	30 June 2013
	\$	\$
Reportable segment assets	<u>76,115</u>	<u>92,304</u>
Reportable segment liabilities	<u>12,288</u>	<u>23,470</u>
	31 December 2013	31 December 2012
	\$	\$
Reportable segment profit/(loss)	<u>156,529</u>	<u>(248,911)</u>
Reconciliation of reportable segment loss		
Reportable segment profit/(loss)	156,529	(248,911)
Other profit	67,023	9,054
Unallocated corporate expenses	<u>(438,732)</u>	<u>(315,450)</u>
Loss before income tax	<u>(215,180)</u>	<u>(555,307)</u>

NOTE 3. REVENUE

Revenue from continuing operations

Interest received	4,523	8,938
Other income	62,500	116

Other income constitutes income from option monies received in respect of option agreements.

TRAKA RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	31 December 2013	31 December 2012
	\$	\$
NOTE 4. ADMINISTRATION EXPENSES		
Loss before income tax includes the following administration expenses:		
Personnel expenses:		
Salaries, management fees and associated expenses	228,394	139,729
Share based payments	82,250	-
less recharged to exploration expenditure	(47,845)	(30,843)
	<hr/>	<hr/>
	262,799	108,886
Depreciation	8,619	12,272
Other expenses:		
Rental and rates	32,202	83,882
Company secretarial and accounting	38,392	30,080
Audit and tax	15,307	8,424
Communications	11,466	10,037
Listing fees	15,850	12,583
Other	54,097	49,286
	<hr/>	<hr/>
	438,732	315,450
	<hr/>	<hr/>

Information relating to the share based payments is set out in Note 9.

**NOTE 5. CURRENT LIABILITIES – TRADE AND
OTHER PAYABLES**

	31 December 2013	30 June 2013
	\$	\$
Trade creditors and accruals	55,857	155,076
Employee entitlements	7,933	9,737
Deferred income	-	200,000
	<hr/>	<hr/>
	63,790	364,813
	<hr/>	<hr/>

Deferred income at 30 June 2013 related to funds received in respect of exploration expenditure recoverable by the Company arising from a joint venture arrangement that at that date remained subject to a period of due diligence on the part of the joint venture partner. Following completion of due diligence at the start of the half year, this amount was taken to account as recovery of exploration expenditure.

**NOTE 6. NON-CURRENT LIABILITIES – TRADE AND
OTHER PAYABLES**

Employee entitlements	1,400	-
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TRAKA RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

NOTE 7. EQUITY – ISSUED CAPITAL

	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	No of Shares	No of Shares	\$	\$
a) Ordinary Shares				
Fully paid				
At 1 July	92,806,559	69,605,049	11,503,628	10,593,504
Issue of shares	19,041,639	23,201,510	1,142,500	928,061
Less cost of share issue	-	-	(74,536)	(18,400)
At 31 December	111,848,198	92,806,559	12,571,592	11,503,165
	No of Options	No of Options	\$	\$
b) Options				
Unlisted				
At 1 July	3,750,000	3,750,000	556,430	556,430
Issue of options	2,000,000	-	82,250	-
Expired options	(2,650,000)	-	-	-
At 31 December	3,100,000	3,750,000	638,680	556,430

NOTE 8. EQUITY - RESERVES

	31 December 2013	30 June 2013
Share based payments reserve	638,680	556,430
Exercised option reserve	64,800	64,800
	703,480	621,230

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 payments reserve attributable to the options being exercised is transferred to this reserve.

TRAKA RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 9. SHARED BASED PAYMENTS

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

During the half year ended 31 December 2013, 2,000,000 options were issued to the Managing Director following shareholder approval on 15 November 2013.

The assessed fair value, and hence the cost to the Company, of the options granted during the half year to 31 December 2013 was \$82,250. 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:

	31 December 2013
No of options granted	2,000,000
Grant date	18 November 2013
Expiry date	17 November 2016
Exercise price per share	8.75 cents
Expected average life of the options	3 years
Underlying security spot price at time of grant	7 cents
Risk free interest rate	3.0%
Expected volatility	100%

NOTE 10. 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 11. 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 2013 annual financial statements.

On 17 November 2013, 2,000,000 unlisted options issued to the Managing Director in November 2010, exercisable at 21.25 cents each, expired unexercised.

On 18 November 2013, the Company issued the Managing Director with 2,000,000 unlisted options, with an exercise price of 8.75 cents each, following shareholder approval at the Annual General Meeting on 15 November 2013. These options vested at grant date. Fair values at grant date have been determined using a Black-Scholes option pricing model.

Director	Number of options	Value \$
P Verbeek	2,000,000	82,250

NOTE 12. EVENTS OCCURRING AFTER BALANCE DATE

There have been no material items, transactions or events subsequent to 31 December 2013 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in these statements.

TRAKA RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

NOTE 13. 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.

NOTE 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Company does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair value of financial instruments not measured at fair value

The Company does not have any financial instruments that are not measured at fair value in the statement of financial position.

TRAKA RESOURCES LIMITED

**DIRECTORS DECLARATION
FOR HALF YEAR ENDED 31 DECEMBER 2013**

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 2013 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

Perth, 11 March 2014

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 2013, I declare that, to the best of my knowledge and belief, there have been:

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



Chris Burton
Director

Perth, 11 March 2014

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 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 company's financial position as at 31 December 2013 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 review 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 company's financial position as at 31 December 2013 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*.

BDO Audit (WA) Pty Ltd

BDO


Chris Burton
Director

Perth, 11 March 2014