



Traka Resources Limited

ABN: 63 103 323 173

14 October 2013

Company Announcements Office

ASX Limited

PO Box H224 Australia Square

SYDNEY NSW 2000

Dear Sir / Madam

Notice of Annual General Meeting

The notice of meeting for the Annual General Meeting of Traka Resources Limited, to be held on Friday 15 November 2013, is attached.

Yours faithfully

Peter Ruttledge

Company Secretary

TRAKA RESOURCES LIMITED

ABN 63 103 323 173

NOTICE OF ANNUAL GENERAL MEETING

to be held at

The Celtic Club, 48 Ord Street, West Perth

on 15 November 2013 at 3.00 pm WST

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Notice is hereby given that the 2013 Annual General Meeting of shareholders of Traka Resources Limited will be held at the Celtic Club, 48 Ord Street, West Perth, WA on Friday 15 November 2013 commencing at 3.00 pm WST ("Meeting").

The Proxy Form forms part of this Notice of Annual General Meeting ("Notice").

The Directors have determined pursuant to regulation 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as shareholders of the Company ("Shareholders") at 3.00 pm WST on 13 November 2013.

AGENDA

1. Financial Statements and Reports

To receive and consider the financial statements for Traka Resources Limited together with the directors' report and auditor's report for the year ended 30 June 2013 as set out in the 2013 Annual Report.

2. Resolution 1: Re-election of Director – Mr Joshua Pitt

To consider and, if thought fit, to pass as an ordinary resolution:

"That Mr Joshua Pitt, who retires in accordance with the Constitution, and, being eligible, offers himself for re-election, be re-elected as a director."

3. Resolution 2: Remuneration Report

To consider and, if thought fit, to pass as an ordinary non-binding resolution:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2013, as disclosed in the 2013 Annual Report, be adopted."

Voting Exclusion Statement

In accordance with subsection 250R(4) of the Corporations Act, a vote on Resolution 2 must not be cast, by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member.

However, subsection 250R(5) provides that a person described above may vote on Resolution 2 if:

- (a) the person does so as a proxy, appointed by writing, that states how the proxy is to vote on the resolution; and
- (b) the vote is not cast on behalf of a person prohibited from voting on the resolution, as described above .

4. Resolution 3: Issue of options to the Managing Director

To consider and, if thought fit, to pass as an ordinary resolution:

"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange ("ASX") and for all other purposes, Shareholders approve and authorise the issue at no cost of 2,000,000 options to the Managing Director, Mr Patrick Verbeek (or his permitted nominee) to acquire fully paid ordinary shares in the capital of Traka Resources Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 3 by Mr Verbeek and his associates and any permitted nominee of Mr Verbeek and any associates of that nominee. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form, or cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 4: Approval of placement facility

To consider and, if thought fit, to pass as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 of the Listing Rules of the ASX and for all other purposes, approval be given for the Directors, if they think fit, to issue up to 15,000,000 ordinary fully paid shares in the Company ("Placement Shares") at an issue price that is at least 80% of the average market price for fully paid ordinary shares in the Company over the last five days on which sales of the Company's shares are recorded before the issue of the Placement Shares, and otherwise on such terms and conditions referred to in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by any person who may participate in the issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares) if this resolution is passed, and any associates of such persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form, or cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board



Peter Rutledge
Company Secretary
2 October 2013

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

TRAKA RESOURCES LIMITED

ABN 63 103 323 173

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday 15 November 2013 commencing at 3.00 pm.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe is material to Shareholders in relation to the Resolutions. This Explanatory Memorandum explains the Resolutions and identifies the Directors' reasons for putting them to Shareholders.

1. Financial Statements and Reports

The financial statements, directors' report and auditor's report for the year ended 30 June 2013, as set out in the 2013 Annual Report, are placed before the meeting in accordance with Section 317 of the Corporations Act 2001 (Cth). Shareholders will be given reasonable opportunity to discuss these documents and ask questions.

For those Shareholders who have elected not to receive a hard copy of the Annual Report, it can be accessed on the Company's website at: www.trakaresources.com.au

2. Resolution 1 – Re-election of Director - Mr Joshua Pitt

The Company's Constitution requires that where there are three or more Directors, one third of those Directors must retire at each Annual General Meeting of the Company. If the number of Directors is not a multiple of three, then the next nearest whole number of Directors must retire from office. The Constitution excludes the Managing Director from this requirement.

The Constitution provides that a Director who retires is eligible for re-election.

Mr Joshua Pitt, who retires by rotation pursuant to the Constitution, seeks re-election.

A brief biography of Mr Pitt is set out in the 2013 Annual Report.

The Board (excluding Mr Pitt) endorses the re-election of Mr Pitt.

3. Resolution 2 – Remuneration Report

The directors' report for the year ended 30 June 2013 contains the Remuneration Report, which sets out the Company's policy for the remuneration of the Directors and certain of its executives.

Section 250R of the Corporations Act requires that a resolution be put to shareholders that the Remuneration Report be adopted, but expressly provides that the vote is advisory only and does not bind the Directors or the Company.

Shareholders will be given reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

4. Resolution 3 – Issue of Options to the Managing Director

This resolution seeks approval to issue 2,000,000 options to Mr Patrick Verbeek, the Managing Director, as an incentive. The options are exercisable within 3 years of their issue at an exercise price that will be set at a 25% premium to the closing market price of the Company's shares on the day before the Meeting. These options are not linked to the Company's performance.

4.1 Background

The broad remuneration policy of the Company, as set out in the Remuneration Report which forms part of the directors' report in the Company's 2013 Annual Report, is to ensure that the remuneration package of its key management personnel reflects their duties and responsibilities and is competitive in attracting, retaining and motivating people of the highest quality.

The non-executive directors, being all the directors other than Mr Verbeek, have reviewed Mr Verbeek's

remuneration package and recommend the issue of these options to Mr Verbeek based on the following considerations:

- (a) Mr Verbeek's overall level of remuneration for the previous financial year, as set out in the Remuneration Report in the Company's 2013 Annual Report and summarised in 4.2(iii) below;
- (b) the services provided by Mr Verbeek to the Company over the years since its listing;
- (c) the importance of providing an incentive for a continuing high level of service in future;
- (d) the general level of remuneration of other executives with similar roles to Mr Verbeek in the mineral exploration industry;

4.2 Chapter 2E of the Corporations Act – Related Party Transaction

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Verbeek, the Company's Managing Director, is a related party of the Company.

In accordance with Section 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the proposed issue of options to Mr Verbeek.

(i) Terms and Conditions of the options

The proposed terms and conditions of the options are as follows:

- (a) *Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of Traka Resources Limited;*
- (b) *Issue Price: Each option is issued for nil consideration;*
- (c) *Exercise Price: The amount payable per share on exercise of the options will be an amount equal to the closing market price of the Company's shares on the day before the Meeting plus 25% of that market price ("the Exercise Price");*
- (d) *Expiry Date: The Expiry Date of the options is 17 November 2016 unless expiry occurs earlier under these terms and conditions.*
- (e) *Issue Date: The Issue Date of the options will be 18 November 2013.*
- (f) *Not transferable and not listed: The options are not transferable and not listed;*
- (g) *Exercise: Subject to (h) below, the options may be exercised by notice in writing to the Company ("the Exercise Notice"), delivery of the option certificate and payment of the Exercise Price to the Company at any time prior to the Expiry Date ("the Exercise Period"). The options may be exercised in one or more lots on different occasions during the Exercise Period, provided that such lots are equal to or a multiple of 100,000 options. Within 10 business days of receipt of the "Exercise Notice" and option certificate and payment of the "Exercise Price", the Company will allot the corresponding number of fully paid ordinary shares to the option holder, procure the issue of a statement of holding for the shares and apply for the shares to be listed on the ASX. The shares issued as a result of exercise of the options shall rank equally in all respects with the other issued fully paid shares in the Company;*
- (h) *Cessation of engagement:*
 - (i) *In the event that either Mr Verbeek or his associated company, Malahang Pty Ltd ("Malahang"), ceases to provide services to the Company at any time up to 3 months prior to the Expiry Date, then from the date of such cessation of services the number of options which can validly be exercised at such date may only be exercised by the option holder within 3 months of the effective date on which Mr Verbeek or Malahang ceased to provide services to the Company, and immediately following that 3 months shall forthwith lapse and have no further effect unless otherwise determined by the directors of the Company;*
 - (ii) *In the event that Mr Verbeek's or Malahang's services to the Company are terminated by the Company following the takeover of the Company, or following a change of control of the Company (being a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of Section 500A of the*

Corporations Act 2001 (Cth) gains such control over the Company), all the options shall remain in full force and effect for the full term up until the Expiry Date;

- (i) *New share issues: There are no participation rights or entitlements inherent in the options and their holder will not be entitled to participate in new issues of capital offered to shareholders without exercising the options. The Company, however, will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be in accordance with the ASX Listing Rules. This will give the option holder the opportunity to exercise his options (should he otherwise be entitled to) prior to the date for determining entitlements to participate in any such issue;*
- (j) *Reorganisations: In the event of any reorganisation of the issued capital of the Company, the number of options or the exercise price of the options or both shall be reconstructed in a manner which complies with the ASX Listing Rules in force at that time and in all other respects the terms for the exercise of the options shall remain unchanged; and*
- (k) *Options not exercised by 5.00 pm WST on the Expiry Date will automatically expire.*

(ii) Value attributed to the proposed issue of options

For illustrative purposes, the Company has used the Black Scholes option valuation model to calculate the value that would be attributable to the proposed options, if they were to be issued at the date of this Notice, as 6.15 cents per option or \$123,000 for the 2,000,000 options. The assumptions used in the valuation are set out below:

Closing market price of Traka shares	10.5 cents
Exercise price - 25% premium to closing market price	13.125 cents
Risk free rate - 3-year Commonwealth Bond rate on 30 Sept 2013	2.77%
Expected volatility	100%
Time to expiry	3 years

Since there were no Traka shares traded on the ASX on the date of valuation, the last closing market price of Traka's shares prior to the valuation has been used – that is 10.5 cents per share on 24 September 2013.

The expected future volatility of the Company's shares for the purpose of this valuation has been based on the historical volatility of Traka's shares over the past three years – that volatility is approximately 100%.

The value of the options is particularly sensitive to volatility. The table below sets out the effect of different volatilities between 80% and 120% on the valuation above, all other assumptions remaining unchanged:.

Volatility (%)	Value per option (cents)	Value of 2,000,000 options (\$)
80	5.01	100,200
90	5.60	112,000
100	6.15	123,000
110	6.67	133,400
120	7.14	142,800

Although the Exercise Price of the options is based on the closing market price of the Company's shares on the day before the Meeting, the value of the options to be issued will only be established on the Issue Date, 18 November 2013. The table below sets out the effect of different closing market prices of Traka shares and hence of related Exercise Prices, on the valuation above, all other assumptions remaining unchanged:

Closing market price of Traka shares (cents)	Exercise Price (cents)	Value per option (cents)	Value of 2,000,000 options (\$)
5.0	6.25	2.93	58,600
10.5	13.125	6.15	123,000
15.0	18.750	8.79	175,800
20.0	25.0	11.72	234,400

Note: In accordance with AASB 2 “Share Based Payments”, the Company will calculate the actual value attributable to these options as at the date they are issued, and this cost will be recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

(iii) Total remuneration package of Mr Verbeek

The Company entered into a consultancy agreement with Malahang Pty Ltd on 14 October 2003 (“Consultancy Agreement”). In accordance with the terms of the Consultancy Agreement, Malahang agreed to provide the services of its employee, Mr Patrick Verbeek, to undertake all functions, duties, roles and authorities which the Company would require of a person engaged as Managing Director of the Company on a full time basis. The Consultancy Agreement commenced on 20 November 2003 with an initial term of 2 years and a further 2 year term election to November 2007. The Company has subsequently extended the Consultancy Agreement every 2 years on similar terms and conditions. The current base consulting fee is \$250,000 per annum plus \$27,000 per annum to cover the supply of a four-wheel-drive motor vehicle.

The amount paid under this consultancy agreement for the year ended 30 June 2013 was \$277,000 plus reimbursement of work related expenses. The total remuneration package of the Managing Director for the 2013/14 year under the current agreement including the estimated value of the proposed options amounts to

Fees (paid to Malahang Pty Ltd)	\$277,000
Estimated value of proposed options based on assumptions as at the date of this Notice	<u>\$123,000</u>
Total remuneration package	<u>\$400,000</u>

(iv) Relevant interest of Mr Verbeek in the securities of the Company

Mr Verbeek has the following relevant interests in the securities of the Company.

Holding	Interest	Shares	Options
Malahang Pty Ltd	Mr Verbeek is a director and shareholder of Malahang	2,499,999	3,000,000

2,000,000 of the above options are exercisable at 21.25 cents per share by 17 November 2013, and a further 1,000,000 options are exercisable at 20.625 cents per share by 15 November 2014.

(v) The effect of the issue on existing shareholders

The issued capital of the Company will increase by 2,000,000 shares if the options are exercised in full which will dilute existing members’ interests by that amount. There are currently 92,806,559 shares on issue which would result in a dilution of 2.15% if the options are exercised.

These options have no trading history as they will not be listed and will be in a category of their own. The company’s shares have a 12 month price range of a low of 3 cents, a high of 12 cents and the last sale price was 10.5 cents on 24 September 2013.

The estimated cost to the Company of the issue of the options, based on the valuation set out in subsection 4.2(ii), is \$123,000 or 0.13 cents per share on issue. The actual cost will depend on the closing market price of Traka shares on the day before the Meeting, and the related Exercise Price.

Except as stated in this Explanatory Memorandum the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by granting the Options pursuant to Resolution 3 to Mr Verbeek or his nominee upon the terms proposed, except as otherwise disclosed in this Explanatory Statement.

Neither the Company nor the Directors are aware of any undisclosed information that would be reasonably required by shareholders to make a decision in relation to the potential financial benefits contemplated by the proposed Resolution 3.

(vi) Directors' recommendation

Approval of the proposed resolution would have the effect of authorising the issue of 2,000,000 free options over unissued shares in the Company to Mr Verbeek.

The Directors other than Mr Verbeek do not have an interest in the outcome of the resolution and recommend that shareholders approve the issue of the options for the following reasons:

- (a) the options are considered by the directors to provide a cost effective means of giving an incentive to Mr Verbeek to advance the Company's interests in accordance with the directions given from time to time by the board of directors; and
- (b) the number of options to be issued is considered to be in line with the number issued to directors of similar companies.

Mr Verbeek, who stands to gain personally from the issue of the options, declines to make any recommendation in relation to shareholders' consideration of the resolution.

4.3 Listing Rule 10.13 Disclosures

The following information is provided to satisfy ASX Listing Rule 10.13 to allow shareholders to assess the proposed issue of options in the Company.

- (a) The name of the director is Mr P A Verbeek;
- (b) The maximum number of options to be issued is 2,000,000;
- (c) The Issue Date will be 18 November 2013;
- (d) The options will be issued free on the terms and conditions set out in subsection 4.2(i) above;
- (e) A voting exclusion statement for Resolution 3 is included in the Notice;
- (f) No funds will be raised by the issue of the options. If all the options are exercised at the Exercise Price (as that term is defined in the Terms and Conditions of the Options set out in subsection 4.2(i)), based on an Exercise Price of 13.125 cents per share, as used in the example valuation in subsection 4.2(ii), \$262,500 would be added to working capital of the Company on exercise.

Approval of shareholders is being sought under Resolution 3 pursuant to ASX Listing Rule 10.11 for the issue of up to 2,000,000 options. Consequently, in accordance with, ASX Listing Rule 7.2 (Exception 14), shareholder approval under ASX Listing 7.1 is not required for the issue of these options.

5. Resolution 4 – Approval of placement facility

5.1 Background

The Company seeks prior Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 15,000,000 ordinary fully paid shares in the Company ("Placement Shares"), at an issue price that is at least 80% of the average market price of the Company's shares over the last 5 days on which sales of the Company's shares are recorded before the date of issue of the Placement Shares for the purposes of the ASX Listing Rules (or, if a prospectus or other information statement is issued in relation to the Placement, before the date of signing of that document). "Market price" means the closing price for the Company's shares on ASX (excluding special crossings and overnight sales) on the relevant five trading days.

The Directors believe that Resolution 4 is in the best interests of the Company, giving it the strategic capability and flexibility it may require to take advantage of opportunities as they may arise from time to time and recommend that shareholders vote in favour of it.

5.2 Listing Rule 7.3 Disclosures

For the purposes of ASX Listing Rule 7.3, information regarding the placement facility is provided as follows:

(a) **The maximum number of securities to be issued**

The maximum number of shares that the Company may issue under this proposed facility is 15,000,000 ordinary fully paid shares.

(b) **The date by which the Company will issue the securities**

The Placement Shares may be issued no later than 3 months after the date of the Meeting (or by such later date as the ASX may allow).

(c) **The issue price of the securities**

The Placement Shares will be issued at an issue price per share calculated in accordance with ASX Listing Rule 7.3.3 of at least 80% of the average market price of the Company's fully paid ordinary shares over the last 5 days on which sales of the Company's shares are recorded before the day of issue of the Placement Shares for the purposes of the ASX Listing Rules (or, if a prospectus or other information statement is issued in relation to the issue, before the date of signing of that document).

(d) **The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected**

The identities of the persons to whom the Company would propose issuing the shares in respect of the Placement Facility are not currently known and have not been ascertained. It is expected that the Placement Shares, if the Placement proceeds, will be issued at the discretion of the Directors to institutional, professional and sophisticated investors. None of these entities will be related parties of the Company.

(e) **The terms of the securities**

The Placement Shares will comprise ordinary fully paid shares of the Company ranking equally with all other ordinary shares of the Company.

(f) **The intended use of the funds raised**

The funds raised by the issue of Placement Shares will be used for the advancement of the Company's exploration activities, and to provide working capital.

(g) **The dates of issue or a statement that the issue will occur progressively**

The issue of the Placement Shares may occur progressively.

(h) **A voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice.

(i) **In the case of an agreement for the allotment of securities which is part of a public offer, a voting exclusion statement in relation to a party to the agreement, and an adequate summary of the agreement**

Not applicable

TRAKA RESOURCES LIMITED

ABN 63 103 323 173

PROXY FORM

To the Company Secretary,
Traka Resources Limited
Ground Floor, 43 Ventnor Ave
West Perth, WA 6005

By post: PO Box 601
West Perth, WA 6872

By fax: +61 8 9322 9144

I/We _____ [Name(s) of shareholder(s)]

of _____

being a Shareholder/Shareholders of the Company, hereby appoint

[Name of proxy]

or, failing such appointment, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday 15 November 2013 at 3.00 pm, and at any adjournment thereof in accordance with the directions indicated below or, in the absence of directions, as my/our proxy sees fit.

Chairman's Voting Intentions

Resolution 1: The Chairman of the meeting will vote undirected proxies FOR Resolution 1.

Resolutions 2 and 3: The Chairman of the meeting will NOT vote undirected proxies relating to Resolutions 2 and 3.

Resolution 4: The Chairman of the meeting will vote undirected proxies FOR the Resolution 4 **only** if the box to the left of Resolution 4 In the additional instructions under the table below is marked

INSTRUCTIONS AS TO VOTING ON THE RESOLUTIONS

If two proxies are being appointed the proportion of voting rights that this proxy is authorised to represent is [____] %.

The proxy is directed to vote in relation to the Resolutions referred to in the Notice as follows:

	For	Against	Abstain
Resolution 1 Re-election of Director - Mr Joshua Pitt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Issue of options to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Instructions:

Resolutions 2 and 3: Where my proxy is a member of the key management personnel for the Company or a closely related party of that member, including if he is the Chairman of the Meeting, and I/we have not given him voting directions in relation to this Resolution 2, I/we understand that he will **not** cast my/our vote on this resolution, and my/our vote will **not** be counted in computing the required majority if a poll is called on this item.

Resolution 4: Where I have appointed the Chairman of the Meeting as my/our proxy or he is appointed by default and I/we have not given him voting directions in relation to Resolution 4, I/we acknowledge that, by placing a mark in this box, I/we wish the Chairman of the Meeting to exercise my/our proxy by voting in accordance with the Chairman's voting intentions set out above, even if he has an interest in the outcome of the resolution and that votes cast by him other than as proxy holder will be disregarded because of that interest. Where I/we do not mark this box, and I/we have not directed my proxy how to vote, I/we understand the Chairman of the Meeting will **not** cast my/our votes on this resolution and my/our votes will **not** be counted in calculating the required majority if a poll is called on this resolution.

☐

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

This form is to be used in accordance with the instructions overleaf

Proxy Notes and Instructions:

A Shareholder entitled to attend and vote at the Meeting may appoint a person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting.

If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes.

A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that meeting, the representative of the corporation to attend the meeting must produce the appropriate Certificate of Appointment of Representation prior to admission. A form of the certificate may be obtained from the Company's share registry.

Shareholders are encouraged to direct their proxy how to vote.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

The Proxy Form (and the power of attorney or other authority, if any, under which the Proxy Form is signed) must:

either be delivered to the registered office of the Company, Ground Floor, 43 Ventnor Ave, West Perth, WA 6005,

or be sent by post to Traka Resources Limited, PO Box 601, West Perth, WA 6872,

or be sent by facsimile to Traka Resources Limited at +61 8 9322 9144

in time to be received not later than 48 hours before the time fixed for the holding of the meeting.

Proxy voting by key management personnel

Resolution 2

Subsection 250R(4) of the Corporations Act prohibits a vote being cast on Resolution 2 by, or on behalf of, a member of the key management personnel for the Company, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member.

Subsection 250R(5) does however provide that a person described above, may vote on Resolution 2 if:

- (a) the person does so as a proxy, appointed by writing, that states how the proxy is to vote on the resolution; and
- (b) the vote is not cast on behalf of a person prohibited from voting on the resolution, as described above.

It is emphasised that this exception applies only where the proxy is directed how to vote by the shareholder ie by marking the 'For' or 'Against' boxes alongside Resolution 2 overleaf. Where no direction is given to the proxy, the proxy may NOT cast a vote in relation to Resolution 2 and will not, even if the proxy is the Chairman of the Meeting.

Consequently shareholders eligible to cast a vote on Resolution 2 are encouraged to direct their proxy how to vote on this resolution by marking the 'For' or 'Against' boxes alongside Resolution 2 overleaf.

Resolution 3

Subsection 250BD(1) of the Corporations Act provides that: a person who is a member of the key management personnel for the Company, or a closely related party of that member, who is appointed as a proxy, is prohibited from voting on a resolution connected directly or indirectly with the remuneration of a member of the key management personnel for the Company where their appointment does not specify the way the proxy is to vote on the resolution. This restriction applies to Resolution 3 since it deals with the remuneration of the Managing Director, Mr P Verbeek, who is a member of the key management personnel of the Company.

Whilst the Chairman of the Meeting may be exempted from this restriction in certain circumstances (pursuant to Subsection 250BD(2)), in this instance the Chairman's stated voting intention in relation to Resolution 3 is NOT to vote undirected proxies. So where no direction is given to the proxy and the proxy is a member of the key management personnel or a closely related party of that member, no vote will be cast on this resolution.

Consequently shareholders eligible to cast a vote on Resolution 3 are encouraged to direct their proxy how to vote on this resolution by marking the 'For' or 'Against' boxes alongside Resolution 3 overleaf.