



Traka Resources Limited

ABN 63 103 323 173

ASX Shareholders Report

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ASX

AUSTRALIAN SECURITIES EXCHANGE

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Exploration Update

Traka provides the latest details relating to the company's project interests and exploration activity:

The Latitude Hill Joint Venture:

- An RC drilling program (minimum 20 holes for 4000 metres) is currently underway to test 6 electromagnetic ("EM") targets on the Latitude Hill joint venture tenements. Chalice Gold Mines Ltd ("Chalice") as the joint venture's manager reports that the EM targets have dimensions of 250 - 1500 metre lengths at depths of between 70 and 270 metres. The EM targets have moderate to low conductance and a variety of orientations from steep to shallow plunging (Figure 1). ¹

Ravensthorpe Projects:

- An IP ("Induced Polarisation") geophysical survey at the Mt Short Project has highlighted a strong anomaly under near surface lead and zinc mineralisation (Figure 2). Drilling of this anomaly in the high chargeability zone is the next logical step in evaluating this target. It is prospective for VMS ("Volcanogenic Massive Sulphide") style mineralisation.
- Traka's 20% free carried joint venture interest in the Mt Cattlin North Project which is highly prospective for lithium and tantalum is an increasingly valuable asset to the company given the growing market interest and the recent rise in price of these commodities. The commencement of a drilling program by Galaxy Resources Ltd ("Galaxy"), the Manager of the joint venture, is awaited (Figure 3). ²

The Yallalong Project:

- An electromagnetic ("EM") geophysical survey was recently completed. The EM targets and previously defined geochemical targets defined are considered too small to be of economic interest and as a consequence, Traka has withdrawn from the Yallalong Joint Venture.

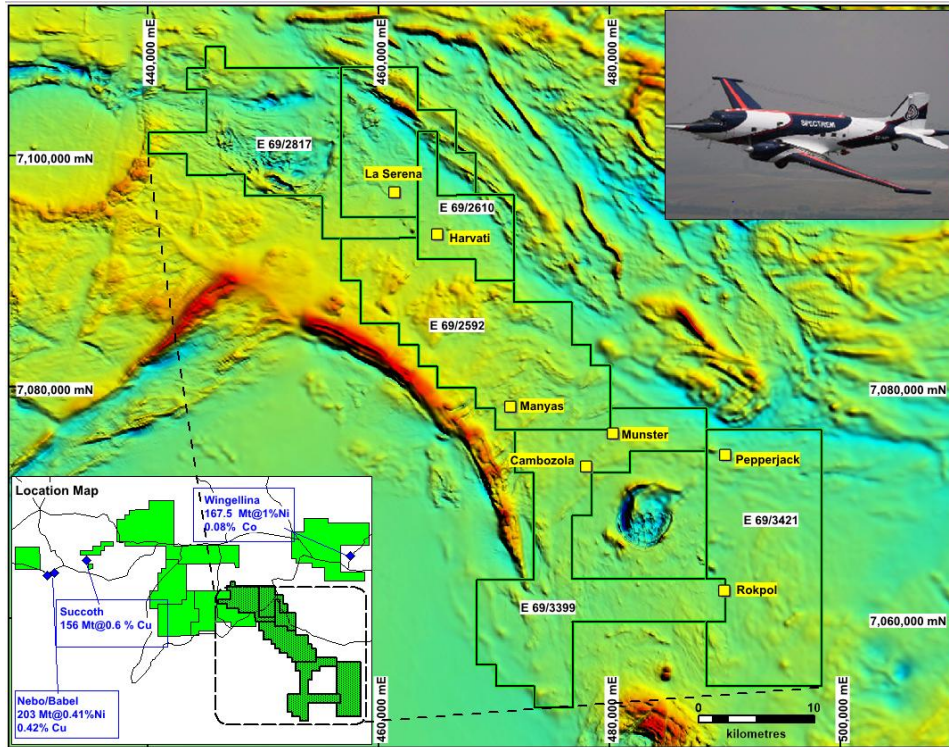


Figure 1. The Latitude Hill joint venture showing the location of the Spectrem targets

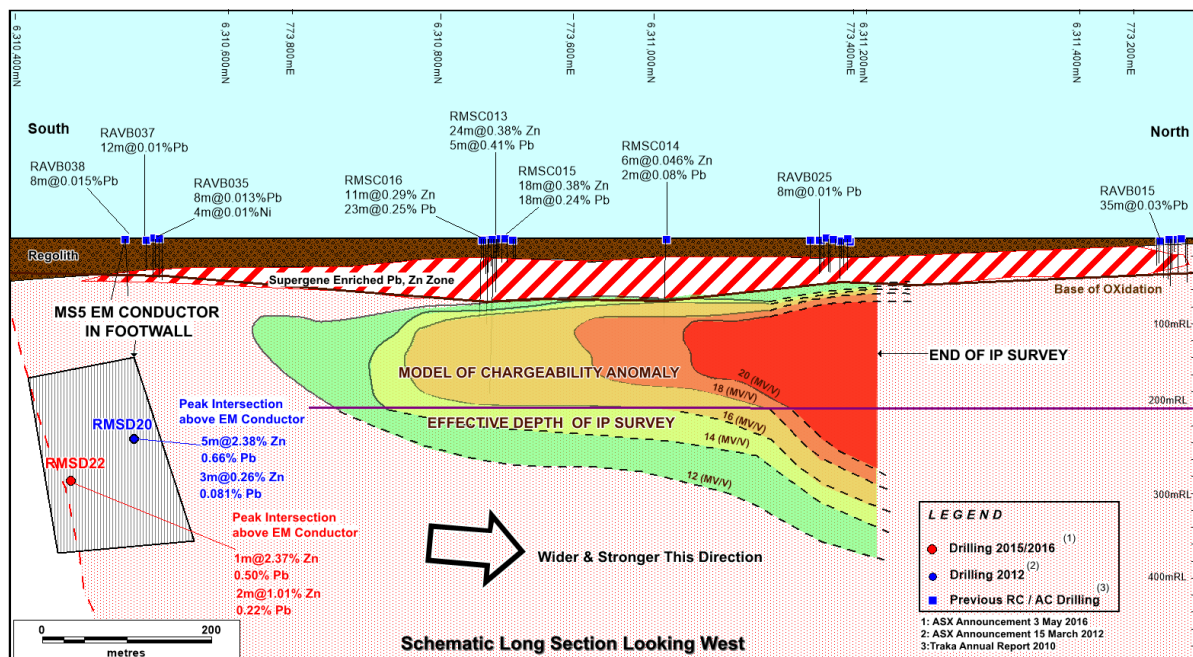


Figure 2. Schematic Long Section showing the position of the MS5 IP anomaly under near surface lead and zinc mineralisation

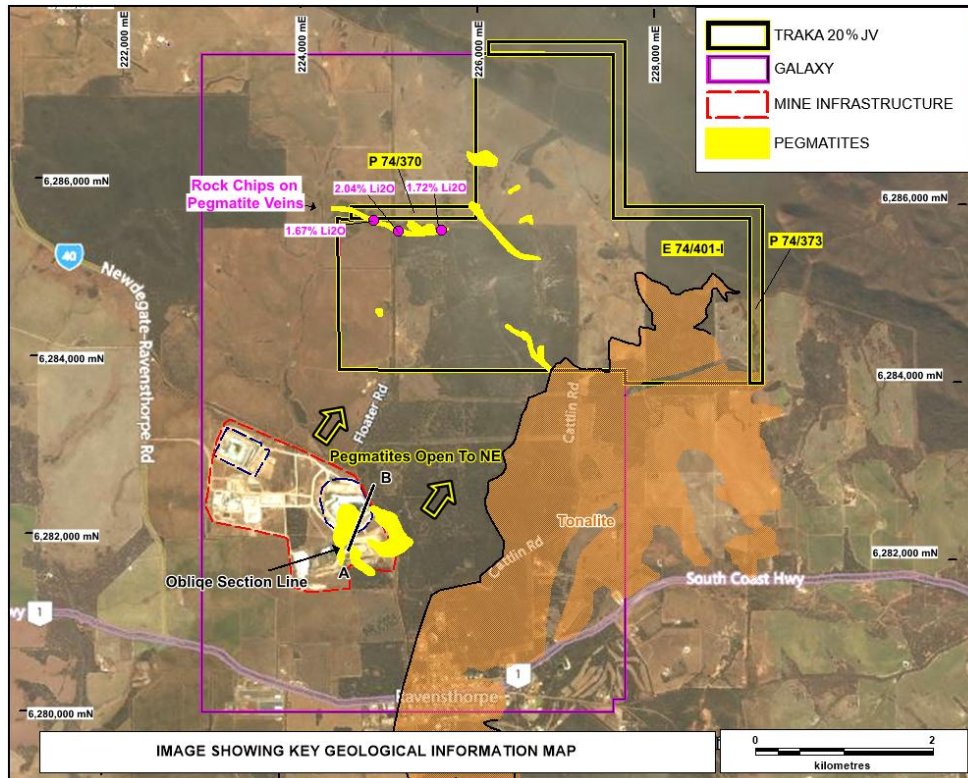


Figure 3. Image showing Traka's 20 % free carried joint venture tenements immediately north of Galaxy's Mt Cattlin lithium tantalum mine.

Patrick Verbeek
Managing Director

1. Chalice Gold Mines Ltd. ASX Release 18th September 2017. Chalice Gold Investor Presentation
2. Traka Resources Ltd. ASX Release 18th May 2017 Exploration Drilling Mt Cattlin North Project

COMPLIANCE STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr P Verbeek a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is engaged full time as the Managing Director of the Company. Mr Verbeek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 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 it appears.



Annexure: JORC Table 1

- Section 1: Sampling Techniques and Data for the Mt Short Base Metals Project

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| Sampling Techniques | <ul style="list-style-type: none"> Nature and quality of sampling | Not applicable |
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial of total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | <ul style="list-style-type: none"> The IP survey at Mt Short was undertaken by Zonge Engineering and Research Organisation under the Supervision of Southern Geoscience Geophysical Consultants. The IP Survey is 2D Dipole-Dipole design with 75m dipole length using 1-14 separation. It used a ZT30 amp transmitter and a GDD -16 receiver. Recent petrophysical testing of the lead zinc mineralised drill at Mt Short demonstrated high chargeability and low resistivity characteristics to the known mineralisation |
| Verification of sampling and assaying | <ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. | <ul style="list-style-type: none"> Not applicable |
| Location of data points | <ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. | <ul style="list-style-type: none"> Hand-held GPS was used to locate all the IP sample points. A small excavator was used to dig holes for the sample points. The GDA94 Zone 50 datum is used the co-ordinate system. . |
| Data spacing and distribution | <ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resources and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. | <ul style="list-style-type: none"> The 2D IP survey completed is typical of a survey of this nature and is considered effective to about 200 m depth with the transmitter used. |



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| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | <ul style="list-style-type: none"> The orientation of I lines was across the strike of the stratigraphic sequence being so that the controls to |
| Sample security | <ul style="list-style-type: none"> The measure taken to ensure sample security. | <ul style="list-style-type: none"> Not applicable |
| Audits or reviews | <ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. | <ul style="list-style-type: none"> Southern Geoscience as an independent expert supervisor is responsible for checking the validity and accuracy of the IP data. No formal external audit has been conducted. |

- Section 2 – Reporting of Exploration Results for the Mount Short Base Metals Project

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | <ul style="list-style-type: none"> The Mt Short Base Metals Project is located on EL74/378 a wholly owned tenement of Traka Resources Ltd. The tenements are in good standing and no known impediments exist. Access Agreement have been entered into with the relevant land owners and all work is done with their permission. |
| Exploration done by other parties | <ul style="list-style-type: none"> Acknowledgement and appraisal of exploration by other parties. | <ul style="list-style-type: none"> All the data, samples position, drilling and geological compilation has been undertaken by Traka. |
| Geology | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | <ul style="list-style-type: none"> The Mt Short Base Metals Project is located on the northern margin of the Ravensthorpe Greenstone Belt. The host rock to zinc, lead and copper mineralisation are a highly metamorphosed sequence of mafic volcanoclastic and sedimentary rocks. |



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| Criteria | JORC Code explanation | Commentary |
|------------------------------------|---|---|
| | | The sequence is bounded by late phase granites intruded post the peak metamorphic event. There is some analogy for the style of mineralisation being encountered with VMS or SEDEX style mineralised bodies |
| Diagrams | <ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | <ul style="list-style-type: none"> Refer to Figures in the body of text. |
| Balanced reporting | <ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of exploration results. | <ul style="list-style-type: none"> All relevant information is reported for a project at an early exploration level of evaluation. |
| Other substantive exploration data | <ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | <ul style="list-style-type: none"> All relevant exploration data has been presented accompanied by diagram and commentary designed to provide a balanced readily understood summation of results. |
| Further work | <ul style="list-style-type: none"> The nature and scale of planned further work (eg test for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of <i>possible extensions</i>, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | <ul style="list-style-type: none"> Future work will include further drilling for base metals in addition to the evaluation of the numerous granitic and pegmatitic bodies for their lithium and tantalum potential. Refer to the Figures in the body of report |