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TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report

for the three months ended 30 September 2020

Summary

Mt Cattlin Gold Project

- Geophysical surveys have been completed which highlight excellent scope for significant discovery below known gold prospects as well as in new positions. Numerous old abandoned gold mines on large mineralised shear zones and intrusives occur within the project area.
- Drilling is scheduled to commence in late November subject to permitting.
- A drill program in the order of 5,000 metres of RC and 500 metres of diamond drilling is planned. The program will test the old Sirdar and Maori Queen Mine positions as well as several other exploration targets generated by compilation of geological, geophysical and geochemical data.

Gorge Creek Project (Cu, Co, Pb, Zn and Ag)

- Large stratabound Pb and Zn targets as well as Cu, Co, Pb and Zn Mississippi Valley Type (MVT) targets have been identified.
- Covid-19 travel restrictions and current monsoon wet season conditions have prevented access this year, but exploration activity is contemplated for start in May 2021.

Corporate

- A capital raising is underway primarily to fund exploration work on the Mt Cattlin Gold Project.

Project Generation

- The company remains active in identifying and bringing new projects into the company portfolio.

Mt Cattlin Gold Project

In July 2020 Traka agreed with Galaxy Resources Limited (Galaxy) to exchange Traka's 20% Free Carried interest in the Mt Cattlin North tenements for 100% of the gold and other mineral potential (excluding pegmatite related minerals) on the tenement area *(1)* (Figure 1).

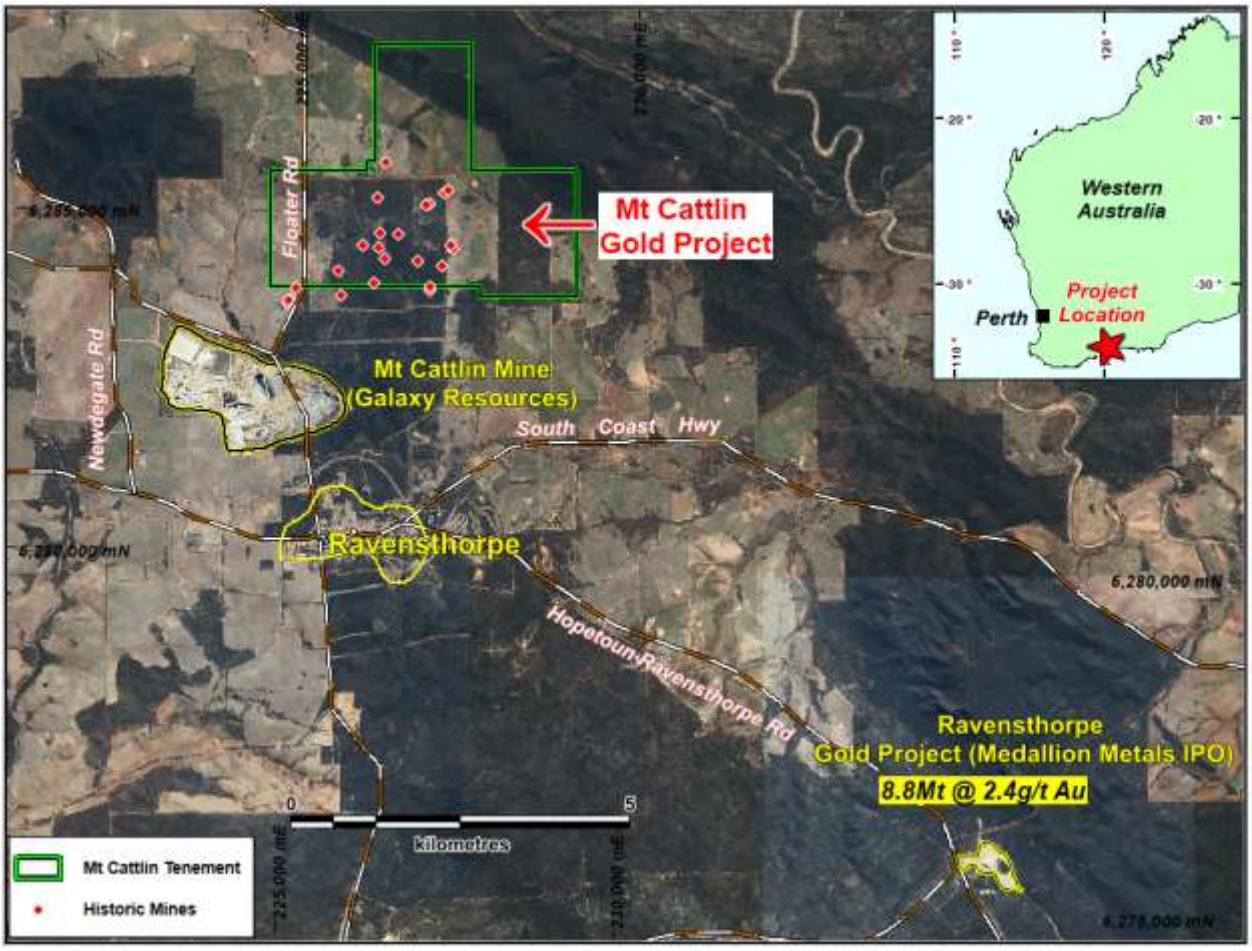


Figure 1. A satellite image showing the position of the Mt Cattlin Gold Project next to Galaxy's Mt Cattlin Lithium Mine, the Ravensthorpe township and the Ravensthorpe Gold Project.

The Mt Cattlin Gold Project has a long history of gold mining with turn-of-the-century prospector-scale activity on 18 separate mines (Reported production of 23,006 tonnes @ 24.56 g/t Au (2)) Exploration for gold has been inactive for decades since Traka last explored in 2004 *(3)* following work by Metana Minerals NL and a few other parties in the 1980s and 1990s. Traka immediately re-commenced a modern day exploration program once the project rights were secured. This activity is now well advanced with drilling scheduled for commencement in late November subject to the receipt of necessary permits.

The Mt Cattlin Gold Project represents an excellent opportunity for the discovery of gold resources at a time when gold prices are more than 4 times higher than existed when Traka last explored this project area. There are several large mineralised shear zones with known high-grade gold shoots within them as well as stockwork quartz-veined intrusive related gold in a number of positions (Figure 2).

A state-of-the-art high-resolution aeromagnetic survey over the entire project and an Induced Polarisation (IP) geophysical survey over 20% of the area have already been completed. This work provides a very effective layer of new information adding perspective to the existing soil geochemical, drilling and historic mining information already available.

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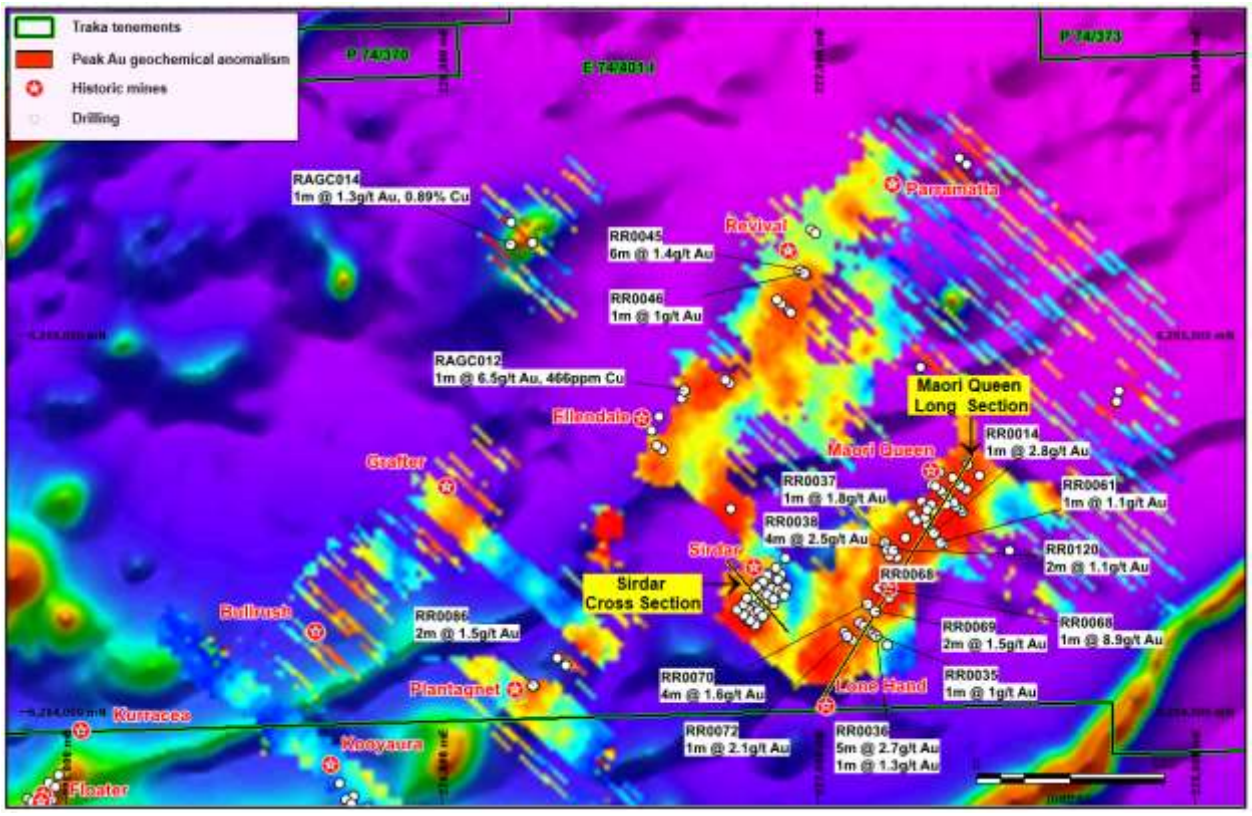


Figure 2. Compilation plan showing existing gold soil geochemical anomalism, IP survey results, existing prospects and drill hole collars with selective peak assay results plus results of very high resolution drone magnetic survey in the western section.

As expected, the new geophysical information has significantly expanded the scope of the project. Some of the known mineralised positions, like that at the old Sirdar and Maori Queen Mines, are seen to be associated with anomalies extending several hundred metres depth past the power limits of the instrumentation. Other new generation targets are also recognised relating to structures and intrusive bodies not previously recognised.

Along a 1-kilometre north-east trending gold soil geochemical anomaly between and including the Maori Queen and Lone Hand Mines are indications of 4 mineralised shoots associated with vertical zones of high resistivity (Figure 3). The extension of the Maori Queen Mine gold shoot below the old mine was demonstrated by Traka in its 2004 drillholes (RAGC01 and RAGC02) but this shoot can now be seen to coincide with a Resistivity anomaly for at least another 200 metres depth:

Drillhole RAGC01 - 2 metres @ 24.5 grams per tonne gold
Drillhole RAGC02 - 2 metres @ 5.48 grams per tonne gold.

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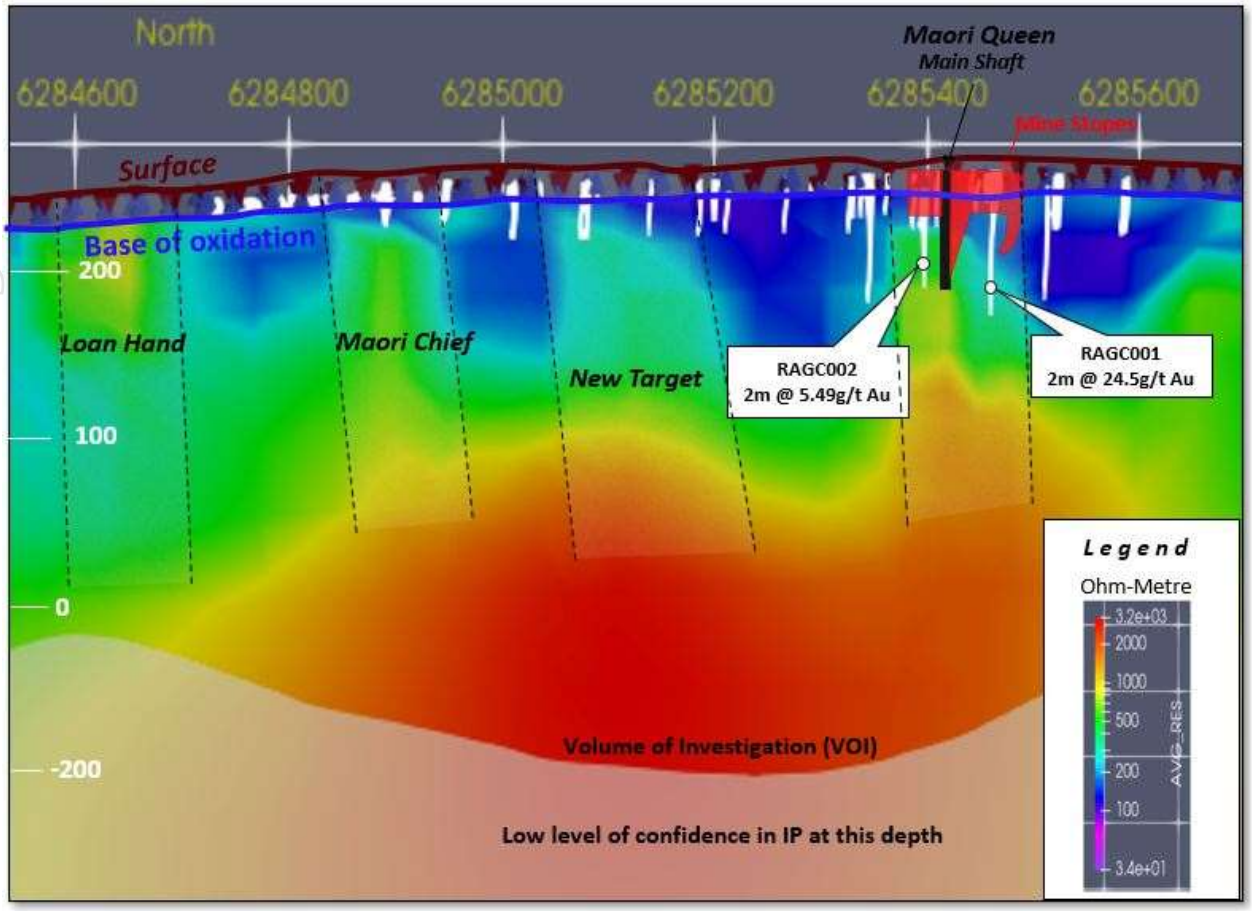


Figure 3. A kilometre long north-east trending long section showing the position of 4 Resistivity anomalies (chimney like green and yellow features) including the one associated with the Maori Queen Mine. The existing drilling (white lines) is projected onto the long-section and the intersection of Traka's 2 drill holes (RAGC01 and RAGC02) is shown below the Maori Queen Mine workings.

At Sirdar, where old drilling to about 70 metres depth exists on known mineralisation, the IP survey highlighted an associated Chargeability anomaly and the extension to it for several hundred metres to depth in a north-west direction (Figure 4). Traka's previous drilling on Sirdar included the following peak drill hole intersections and highlighted scope for the discovery of more as it appears to be open in all directions:

Drillhole RAGC03 - 2 metres @ 7.0 grams per tonne gold
Drillhole RAGC06 - 20 metres @ 2.93 grams per tonne gold, 0.26% copper
Drillhole RAGC19 - 15 metres @ 5.2 grams per tonne gold, 0.25% Copper
Drillhole RAGC18 - 1 metre @ 131.2 grams per tonne gold and
11 metres @ 2.5 grams per tonne gold

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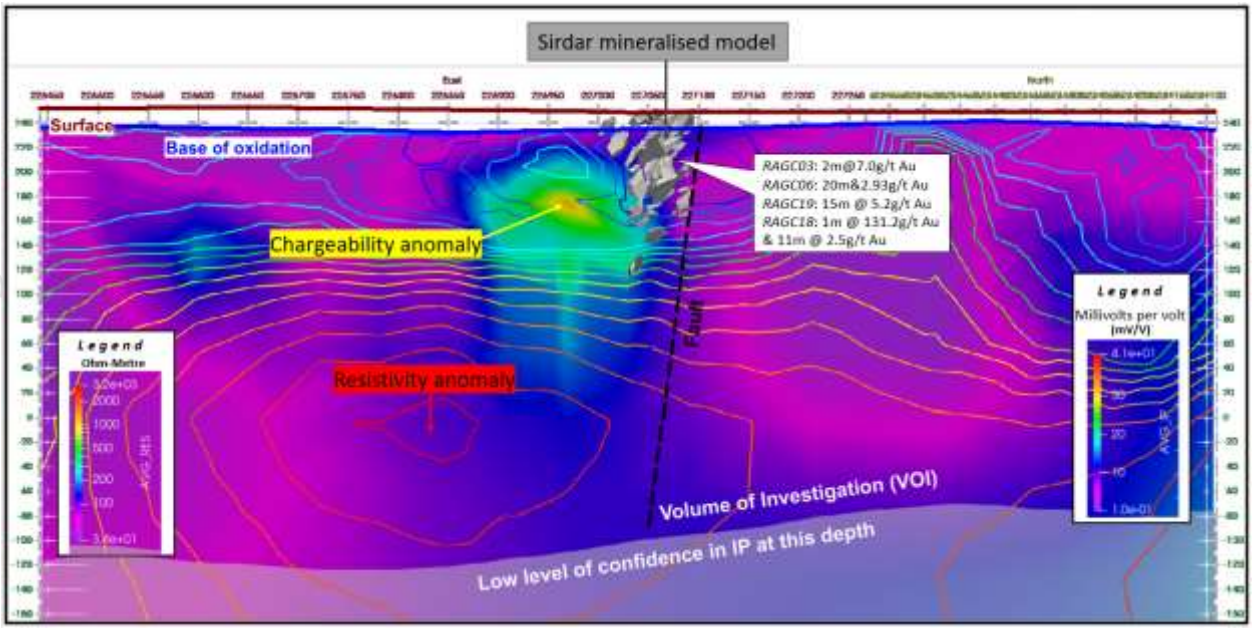


Figure 4. A northwest cross-section through the Sirdar mineralised model (Grey colour > 0.3 g/t gold grade) showing an image of the associated Chargeability anomaly.

Large strong Chargeability anomalies have been detected near the old Ellendale, Lone Hand, Plantagenet, Revival, Parramatta Mines as well as north of Maori Queen. There is historic drilling on the periphery of some of these targets, but where present it is shallow and inadequately tests the anomalies (Figure 5). The historic soil geochemical sampling surveys over these areas have missed these targets or are poorly orientated to detect them and consequently new surveys are planned.

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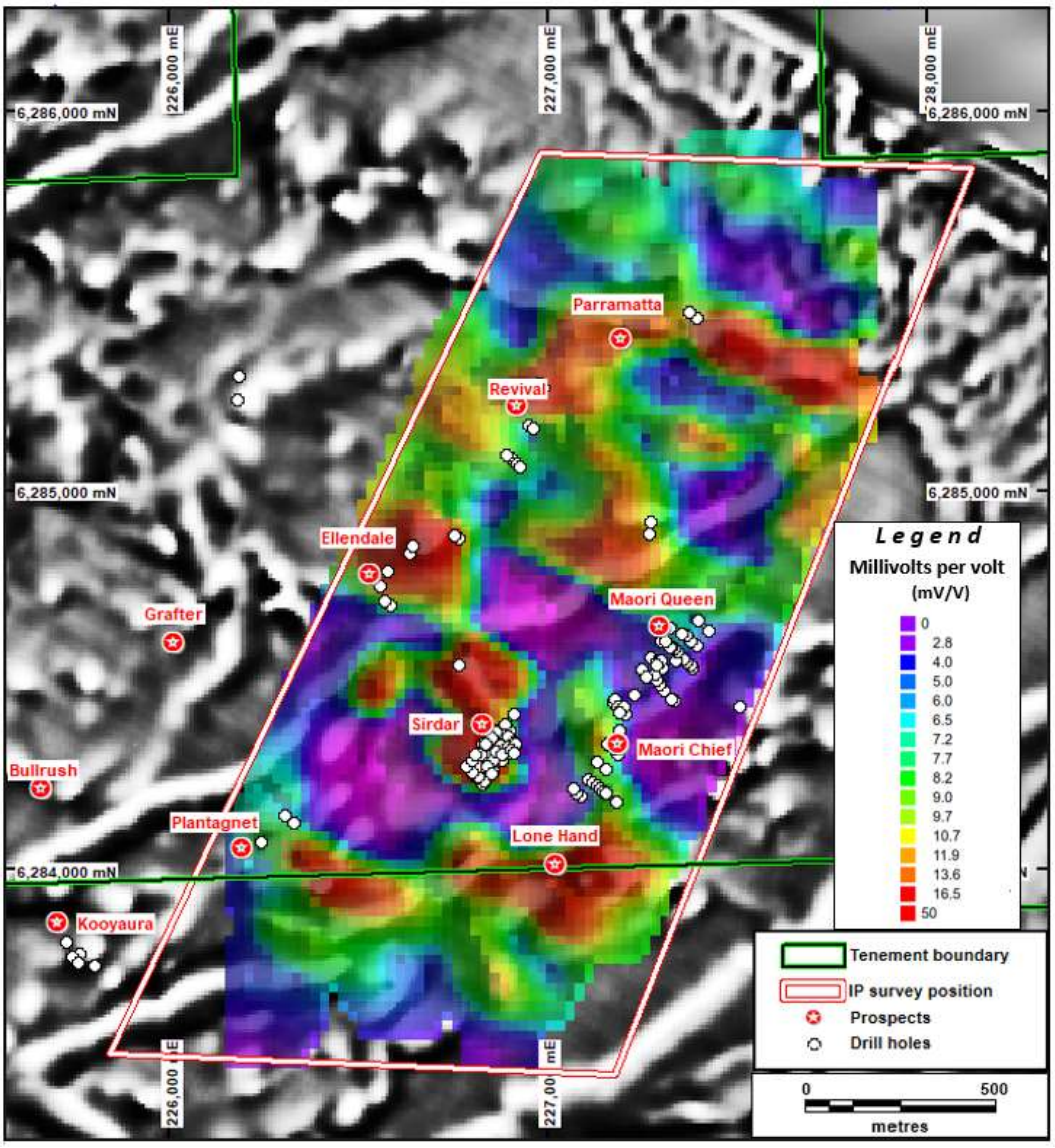


Figure 5. A 100m depth slice image of Chargeability draped over a greyscale aeromagnetics image. The worm like white features in the aeromagnetics are strong magnetic responses from Proterozoic Dykes, which are not generally mineralised. Note the red coloured north-east trending Chargeability anomaly extending from historic drilling (white dots) on Sirdar. The red coloured Chargeability anomalies in other positions are readily evident.

Gorge Creek Project

Access to the project earlier in the year was stopped because of Covid-19 travel restrictions and more recently on account of the commencement of the wet season. Exploration programs are planned for recommencement in next year's field season.

Musgrave Project

There has been no reportable activity on this project this quarter.

New Project Development

Whilst the Company is busy on its existing projects, ongoing efforts continue to be made to identify other opportunities to expand the company's exploration portfolio.

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Corporate

The Company has raised capital by way of a placement and an entitlement offer to raise a total of $2,236,180 before costs. These funds provide working capital for the company's exploration activities with the current focus being the newly acquired Mt Cattlin North Gold Project.

On 6 August, the placement under the Company's approved 15% issue capacity led to the issue of 60,069,444 fully paid shares at 2.2 cents per share to raise $1,321,527 before costs (4). The placement was managed by RM Capital.

On 29 September, the Non-Renounceable Entitlement Offer of 1 share for every 5 shares held at 2.0 cents per share raised $914,653 before costs. The acceptances, including shortfall applications, led to the issue of 45,732,665 shares representing 49.6% of the Offer (5).

Pursuant to terms of the Entitlement Offer, the Directors may at their discretion within a 3-month period place all or part of the 50.4% residual shortfall of 46,413,692 shares at any price higher but no less than 2 cents price of the entitlement offer.

Payments to Related Parties

(as reported in Section 6 of the Appendix 5B Quarterly Cash Flow Report)

The $66,000 cash outflow for the quarter reported under Section 6.1 of the Appendix 5B Quarterly Cash Flow Report relates to:

	$000
Remuneration of Managing Director	55
Director fees paid to non-executive directors	8
Rent of storage space paid to company associated with a director	3

By authority of the Board

Patrick Verbeek
Managing Director

30 October 2020

(1) Traka ASX Announcement 22 July 2020
(2) Department of Mines Records. 1954 List of Cancelled Gold Mine Leases Western Group of Mines 1901-1912 and 1934-1942
(3) Traka Annual Report 2004
(4) Traka ASX Announcement 3 Aug 2020
*(5**)** Traka ASX Announcement 25 Sep 2020*

COMPLIANCE STATEMENT RELATING TO TRAKA'S PROJECTS

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 undertaking 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity

Traka Resources Limited

ABN	Quarter ended ("current quarter")
63 103 323 173	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(102)	(102)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(30)	(30)
	(e) administration and corporate costs	(76)	(76)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	17	17
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(191)**	**(191)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,240	2,240
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(90)	(90)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**2,150**	**2,150**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	120	120
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(191)	(191)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,150	2,150

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	2,079	2,079

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,279	20
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Term Deposits	800	100
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,079**	**120**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	66
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(191)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(191)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,079
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,079
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	10.9

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
N/A	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020.....

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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TRAKA RESOURCES LIMITED

MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)

For the quarter ended 30 September 2020

Type	Tenement	Location	Registered Holding	Beneficial Interest
EA	69/2749	Musgrave, WA	0%	Note 1
E	69/3156	Musgrave, WA	0%	Note 1
E	69/3157	Musgrave, WA	0%	Note 1
EA	69/3490	Musgrave, WA	0%	Note 1
EA	69/3569	Musgrave, WA	0%	Note 1
P	74/0370	Ravensthorpe, WA	0%	Note 2
P	74/0373	Ravensthorpe, WA	0%	Note 2
E	74/0401	Ravensthorpe, WA	0%	Note 2
EA	74/0636	Ravensthorpe, WA	0%	20%
EPM	26264	Gorge Creek, QLD	100%	100%
EPM	26723	Gorge Creek, QLD	100%	100%

Mining tenements and beneficial interests acquired during the quarter, and their location:
None

Mining tenements and beneficial interests disposed of during the quarter, and their location:
None

Note 1: the Company retains a 2% net smelter return royalty on all minerals produced from these tenements.
Note 2: the Company holds a 100% interest in the gold and other minerals excluding pegmatite minerals.

Key:
E: Exploration licence
EA: Exploration licence application
P: Prospecting licence
EPM: Exploration permit mineral

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