



# Traka Resources Limited

ABN 63 103 323 173

## ASX Shareholders Report

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**ASX**

AUSTRALIAN SECURITIES EXCHANGE

ASX Code: "TKL"

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Company Announcements Office  
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### **Traka secures JV on Latitude Hill - Musgrave Project**

The Company is pleased to announce that Chalice Gold Mines Ltd ("Chalice") has entered into a joint venture agreement with Traka on the very prospective Latitude Hill area of the Musgrave Project. Chalice has entered into the Joint Venture to test several strong airborne electromagnetic ("Spectrem") targets. (Figure 1). These targets, which will be subjected to ground based Electromagnetic Surveys ahead of drilling, are focused on the discovery of copper ("Cu"), nickel ("Ni") and the PGE's (Platinum Group Elements) in orthomagmatic derived massive sulphide mineralisation (Figure 2). This style of mineralisation characterizes the nearby Babel/ Nebo deposits (830,000 tonnes contained Ni and 850,000 tonne contained Cu), the Succoth deposit (936,000 tonnes contained Cu) and is similar to other very valuable deposits like Voisey Bay and Nova/ Bollinger in other locations.

The agreement initially commits Chalice to \$1million expenditure within 12 months. Upon meeting this Minimum Commitment, Chalice can elect to exercise an Option to earn project equity on the basis of the following key terms:

1. Upon meeting the Minimum Commitment, Chalice can elect to earn 51% equity by the additional expenditure of \$4 million in the following 2 year period.
2. Chalice can withdraw at any stage after the Minimum Commitment and before it has earned 51% equity with no retained interest.
3. Upon Chalice earning 51% equity, Traka can elect to retain 49% equity by contributing pro-rata to joint venture expenditure, or elect to permit Chalice to earn 70% equity by sole funding an additional \$5 million expenditure in an additional 3 year period.



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The terms of agreement with Chalice provide sufficient funding for the exploration work required to test the Spectrem targets without a cash call on Traka and also importantly provide Traka the opportunity to maintain significant project equity in the event of a discovery.

Traka is very pleased to have Chalice as a joint venture partner to test the Spectrem targets which were first identified in 2012. Both companies recognise that it is very rare to get the opportunity to test a cluster of quality anomalies in a prime Ni-Cu-PGE province. Equally we are also encouraged by the fact that all the Spectrem conductors on the South Australian and Western Australian side of the Musgraves have been in massive and stringer sulphide occurrences with little likelihood of drilling into graphite or lithological conductors that may otherwise account for the targets.

Chalice is a well-funded and experienced exploration and project development company having operated in many worldwide jurisdictions. They have the resources and experience to lead an effective and progressive program at Latitude Hill.

**Patrick Verbeek**  
**Managing Director**

## 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.*

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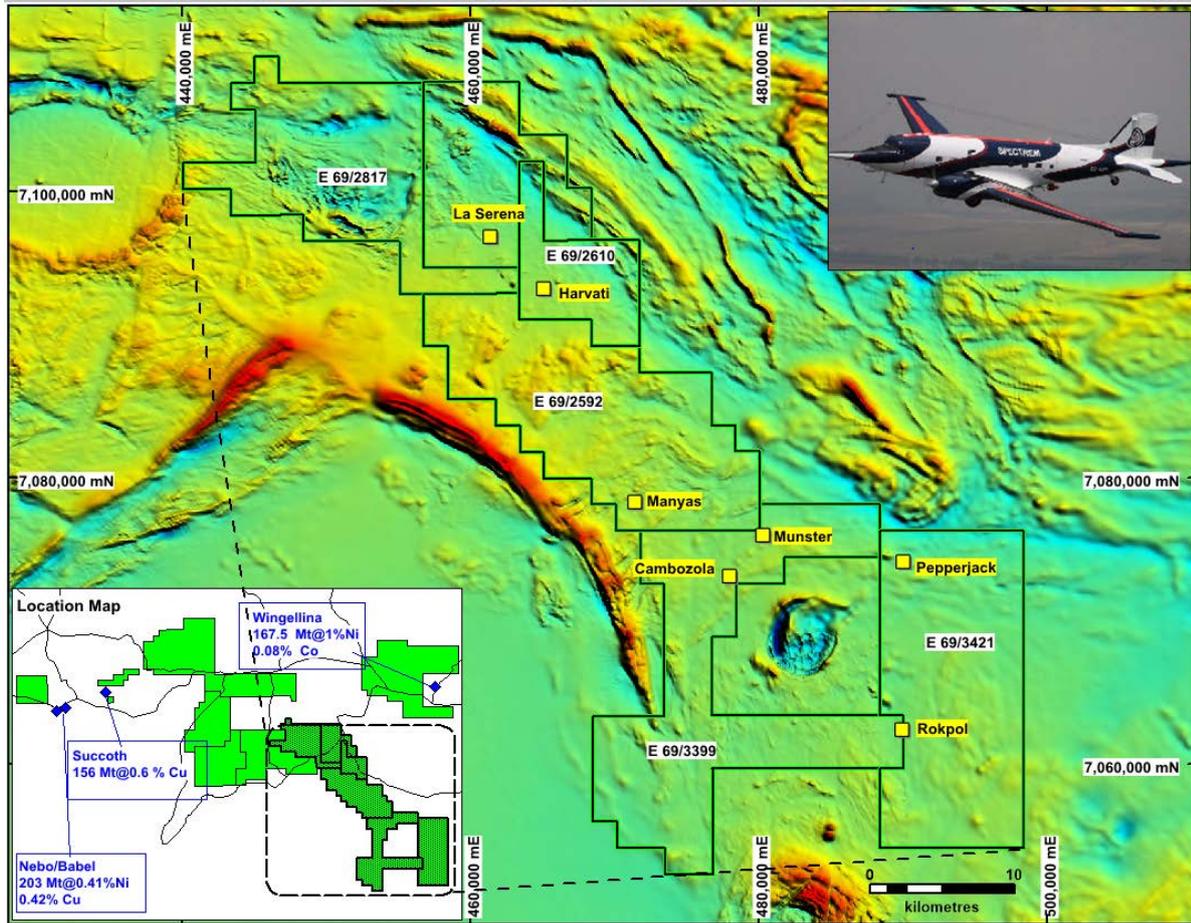


Figure 1. An aeromagnetic image showing the Latitude Hill tenements plus the position and names of the 7 Spectrem electromagnetic targets

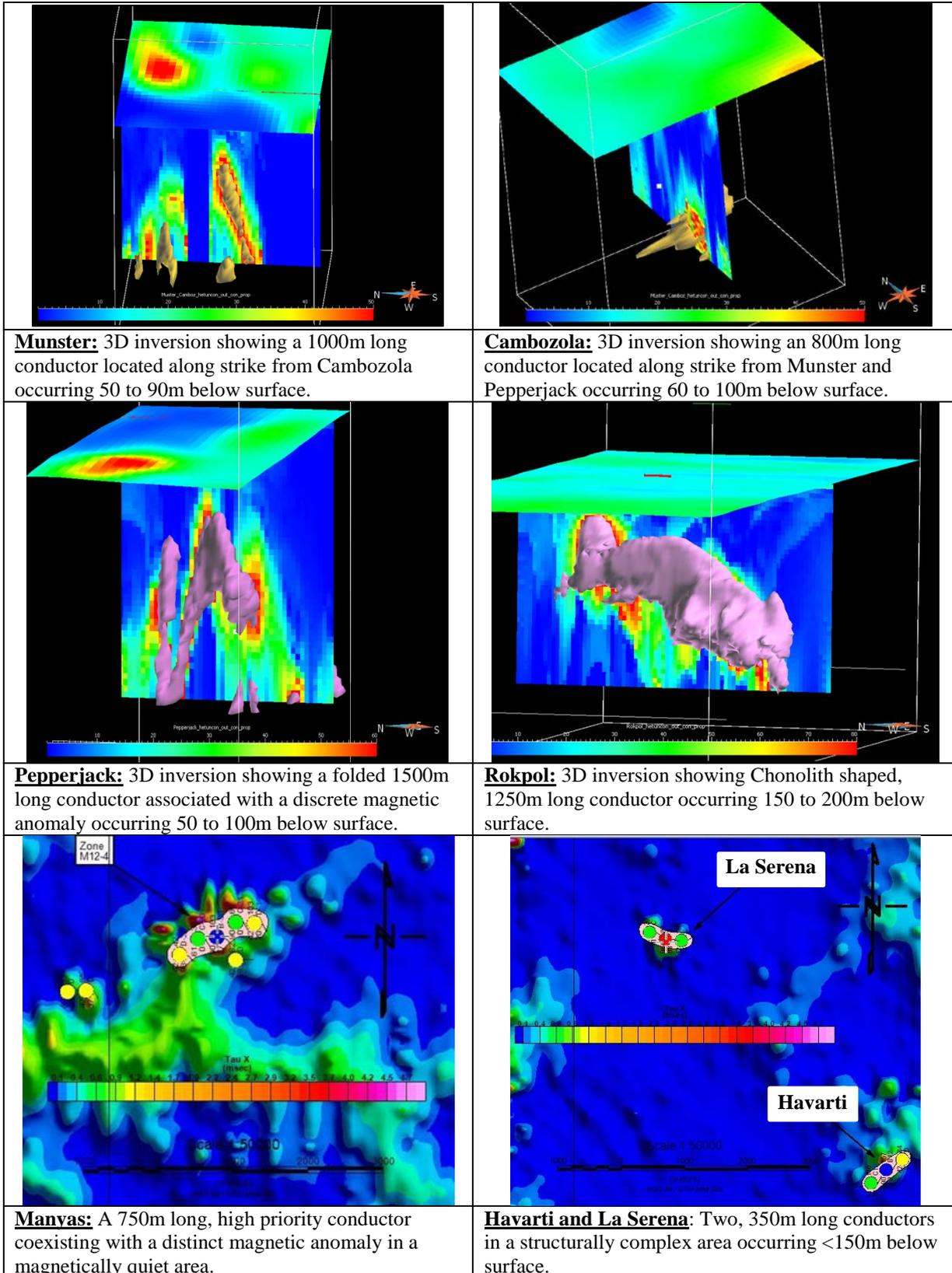


Figure 2. Images and descriptions for the seven Spectrem electromagnetic targets.