



ASX Shareholders Report

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ASX

AUSTRALIAN SECURITIES EXCHANGE

ASX Code: "TKL"

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Company Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Latitude Hill Update Musgrave Project

Chalice Gold Mines Ltd (Chalice) has given notice to Traka of its withdrawing from the Latitude Hill joint venture. Chalice had an option, after expenditure of \$1 million, to earn 51% equity by the additional expenditure of \$5 million.

Chalice drill tested six airborne electromagnetic (Spectrem) targets with an RC drill program comprising 18 holes for a total of 3,576 metres (Figure 1, Table 1). Copper mineralisation was intersected at the Manyas target where 5 holes were drilled for 956 metres. The best intersections were:

Drill Hole LHRC010:

- **17metres at 0.49% Cu from 214m**
- **Including 1 metre at 2.23%Cu**

Drill Hole LHRC013:

- **25 metres at 0.43% Cu from 50m**
- **Including 2 metres at 1.2% Cu**

Drill Hole LHRC015:

- **12 metres at 0.47% Cu from 194m**
- **Including 2 metres at 1.2% Cu**

The copper mineralisation at Manyas is of hydrothermal origin and hosted in sheared sedimentary rock. The other Spectrem targets were attributed to the presence of electrically conductive carbonaceous rocks.

Traka is now evaluating the results made available by Chalice to determine the Company's future for exploration at Latitude Hill (Table 2).

Patrick Verbeek
Managing Director

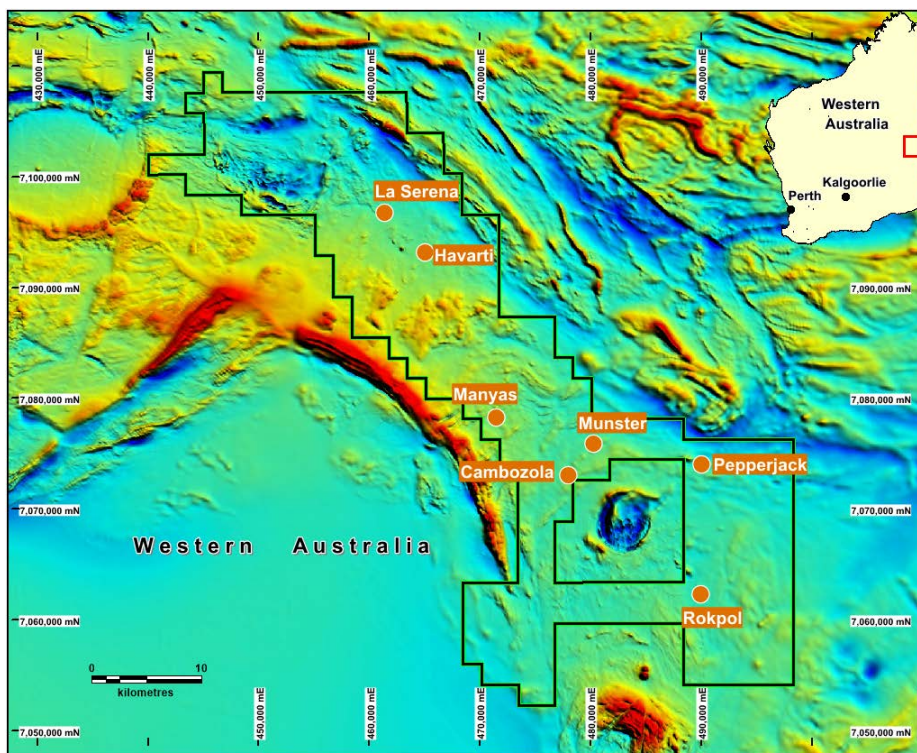


Figure 1. Aeromagnetic image of the Latitude Hill project showing the position of the Spectrem targets

HOLE ID	EASTING	NORTHING	DIP (degrees)	AZIMUTH (degrees)	DOWNHOLE DEPTH (m)	FROM (m)	TO (m)	Cu (%)
LHRC001	490173	7060776	-90	0	No Significant result			
LHRC002	490217	7060970	-90	0	No Significant result			
LHRC003	490151	7061467	-90	0	No Significant result			
LHRC004	490337	7062550	-90	0	No Significant result			
LHRC005	490398	7074320	-60	180	No Significant result			
LHRC006	479947	7075494	-55	340	No Significant result			
LHRC007	480293	7075693	-60	335	No Significant result			
LHRC008	478073	7073935	-55	315	No Significant result			
LHRC009	477883	7073494	-60	305	No Significant result			
LHRC010	471158	7077990	-55	340	17	214	231	0.49
Includes					1			2.23
LHRC011	471342	7078175	-60	340	No Significant result			
LHRC012	471128	7078081	-60	335	No Significant result			
LHRC013	471025	7078020	-60	340	25	50	75	0.43
Includes					2			1.2
LHRC014	461318	7096789	-60	30	No Significant result			
LHRC015	471053	7077974	-55	340	12	194	206	0.47
Includes					2			1.2

*Map Grid of Australia 1994 (GDA94), Zone 52

Table 1: Latitude Hill drillholes

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 Latitude Hill Project

Criteria	JORC Code explanation	Commentary
Drilling and Sampling Techniques	<ul style="list-style-type: none"> • Drill type • Nature and quality of sampling 	<ul style="list-style-type: none"> • RC drill samples are at 1 metre intervals down hole. Each sample is separately bagged with a 2 to 5kg cyclone split collected from the chute <i>via</i> calico bags (one calico bag collected per metre). The whole sample is retained; all assay and checks have been completed.
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"> • Bureau Veritas was used for assays of drillhole samples. RC samples are representative splits and initially screened by hand held XRF (2017 Olympus Venta Model before submission of the sample to the laboratory. The conductive lithologies as well as zone of anomalies (geochemical, hydrothermal alteration...) were sampled and dispatched to Bureau Veritas for multi element analysis and/or gold fire assays. Sample preparation (sort and dry, crushing to 3mm, 5 minutes robotic pulverise) and analysis method (Mixed Acid Digest) are considered appropriate for this project. A comparison of the XRF and laboratory data is routinely made. • The QA/QC data includes laboratory standards, duplicates and checks.
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"> • Independent field inspection and sampling was undertaken, and data presented checked for accuracy of location and true to description. Electronic copies of all the data is kept and backed up daily in Chalice's office. • No adjustments of assay data are considered necessary.

Criteria	JORC Code explanation	Commentary
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 is used to locate all the sample positions. Calibration and cross reference to orthophotos, topographic and geological maps are used as a cross reference to the GPS calculated position. The GDA94 Zone 52 datum is used as the datum for 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"> • Drill spacing is at exploration stage and not of sufficient density for Mineral Resource estimation.
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"> • Drill holes are orientated normal to the strike of mineralisation and the RC samples are collected at 1m intervals down hole. • The drill holes are surveyed at regular intervals with a downhole tool so that all core can be orientated and any significant drillhole deviation is recognised.
Sample security	<ul style="list-style-type: none"> • The measure taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples are uniquely numbered and individually bagged for submission to the Laboratory. The nature and position of each sample is recorded on a note book and GPS and this data subsequently entered into a secure data base. Detailed records are kept of all samples that are dispatched, including details of chain of custody.
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"> • Data is validated when loading into the database. No formal external audit has been conducted.

- Section 2 – Reporting of Exploration Results for the Latitude Hill 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 	<ul style="list-style-type: none"> • The Latitude Hill Project is located on EL69/2592, EL69/2610, EL69/2817, EL69/3421 and EL69/3399. These tenements are in joint venture with Chalice Gold Mines Limited. • The tenements are in good standing and no

Criteria	JORC Code explanation	Commentary
	<p>environmental settings.</p> <ul style="list-style-type: none"> 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. 	<p>known impediments exist.</p> <ul style="list-style-type: none"> A heritage survey identified Havarti as being in sensitive heritage area, therefore no drilling was undertaken.
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"> Work was completed in the area by Chalice. All the data, samples position and geological maps generated by Chalice's activity has been provided to Traka.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including tabulation of results 	<ul style="list-style-type: none"> Refer to Table in the body of the report
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Latitude Hill Project lies in an area of widespread but thin colluvium and sand dune cover estimated at less than 10m thick.
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 the report.
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 practised 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"> No other substantive exploration data is available.
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 possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The nature of any further exploration work is currently being evaluated. Refer to the Figures in the body of the report