



# Annual Report 2007

**Traka Resources Limited**

ABN 63 103 323 173



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# Corporate Directory

## Directors

Neil Tomkinson LLB, Non-Executive Chairman  
Patrick Verbeek BSc, MAusIMM Managing Director  
George Petersons Non Executive Director  
Joshua Pitt BSc, MAusIMM, MAIG, Non-Executive Director

## Company Secretary

Peter Rutledge BSc, CA, FFin

## Principal and Registered Office

Suite 2 Ground Floor  
43 Ventnor Avenue  
West Perth WA 6005  
Ph: (08) 9322 1655  
Fax: (08) 9322 9144  
Email: [traka@trakaresources.com.au](mailto:traka@trakaresources.com.au)  
Web: [www.trakaresources.com.au](http://www.trakaresources.com.au)

## Auditor

BDO Kendalls Audit and Assurance (WA) Pty Ltd  
128 Hay Street  
Subiaco WA 6008

## Share Register

Computershare Investor Services Pty Ltd  
Level 2, Reserve Bank Building  
45 St George's Terrace  
PERTH WA 6000  
Telephone (08) 9323 2000  
Facsimile (08) 9323 2033

## Stock Exchange Listing

Traka Resources Limited (TKL) shares are listed on the  
Australian Securities Exchange Limited

# Managing Director's Report



Consistent with my previous reports you'll find I have provided a summary of the exploration activities completed over the year on each of our projects. I trust you'll find the technical descriptions informative. Before I proceed with these though, I want to make some comments regarding the very considerable efforts made over the year towards acquiring new projects.

Whilst the Ravensthorpe Nickel Project remains the Company's principal asset it is now very capably managed and funded by our joint venture partner, The Independence Group NL ("IGO"). IGO have maintained an active exploration program and this has allowed us to concentrate on building up the company's portfolio in new areas.

Quite a few other projects and opportunities in Australia and overseas have been assessed during the year for gold, base metals and uranium. We have made a good start in a few areas, but attractive projects with exploration and leverage opportunities are very difficult to find. The buoyant condition of the resource industry exacerbates the difficulty, but of course good grass roots projects are the life blood of a small company like Traka so we will persist with this strategy.

The acquisition effort at this stage is by its nature largely a "desk top" activity and as a result very little field based exploration work has been completed compared to previous years. As a consequence the majority of new funds raised in the December 2006 capital raising remain in reserve.

The Musgrave Project, an area we started pegging and assessing over a year ago, is one early result of our acquisition strategy. We have built up a very substantial position in the Musgraves and have maintained an active dialogue with the Ngaanyatjarra Lands Council to gain access rights. Our discussions are advancing well and we hope to be in a position to start field work in earnest in the New Year. This project is in highly prospective terrain which is grossly under explored. It is prospective for gold, base metals (particularly copper and nickel), the platinum group of elements ("PGE") and uranium.

We have also pegged ground in the Lort River and Hopetoun areas. These projects are particularly prospective for gold and uranium. Preliminary work and data collation is underway on these projects so that upon grant we will be in a position to start field based exploration programs.

# The Ravensthorpe Nickel Project

As a few years have now passed since we started on this project, I have firstly provided an historical perspective before providing a technical description.

The Ravensthorpe Nickel Project was purchased for \$350,000 at the time of Traka's listing on the ASX in November 2003. In the following 2 year period the Company spent about \$2.3 million on exploration. Numerous exploration targets were highlighted and it was evident that the continuation of an aggressive exploration program was merited. To fund this continued effort we entered into an Option Agreement with IGO on the 26th October 2005.

Under the joint venture terms, IGO can earn a 51% interest by a total expenditure of \$6,500,000 by the 31st December 2009. Traka may then elect to contribute to future expenditure and retain a

49% interest or reduce its equity to 30% by electing to be free carried through to a decision to mine.

Traka's royalty interest (from BHP Billiton) in the nickel laterite potential of the area is excluded from the joint venture with IGO as is our interest in the iron ore potential on the project tenements.

By September 2006 IGO had funded, under Traka's management, an aggressive exploration program and had completed the initial expenditure commitment of \$1,500,000. At this point IGO elected to assume management and continued with a significant exploration program right through to the current time.

A description of the work in progress follows.

The Ravensthorpe Nickel Project is split into four areas as shown in Figure 1. This year work has been concentrated on the Jerdacuttup and Mt Short areas.

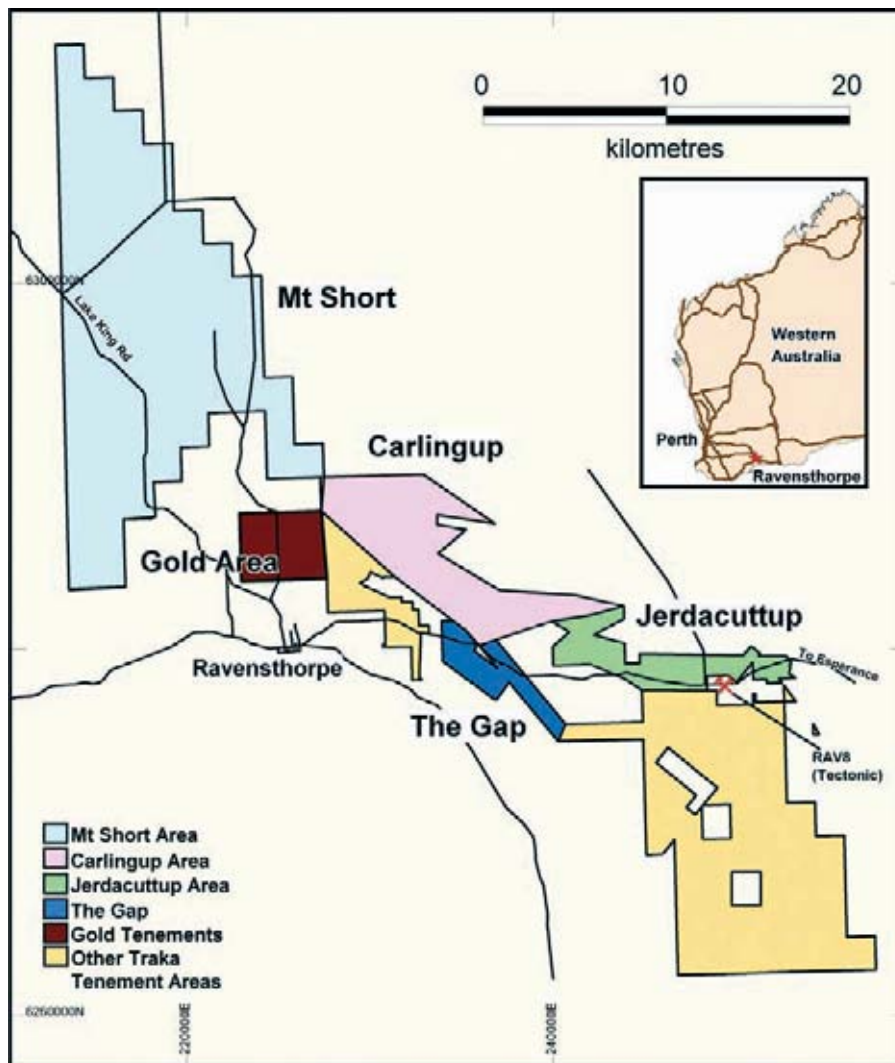


Figure 1. Ravensthorpe Nickel Project Location



## Jerdacuttup

Exploration work at Jerdacuttup has focused on further defining the known nickel mineralisation at the RAV 4, RAV 4 West and RAV 1 Prospects (Figure 2 and 3). Each of the RAV 4, RAV 4 West and RAV 1 targets has a strike length of over 700 metres and has been drilled in various irregular patterns to about 120 metres vertical depth.

Mineralisation remains open at depth and in each case is located on the basal contact of an ultramafic

unit in contact with quartzite. Although low angle structures locally disrupt the sequence and mineralisation, the geological setting is very favourable for channel style nickel mineralization.

Drilling was carried out on the RAV 4 West prospect to test the down dip extensions of the known mineralisation following completion of Electromagnetic ("EM") Surveys. A total of 16 RC holes for 1781m were completed during the year. The best intercepts returned were 3 metres @ 2.3% Ni and 2 metres @ 3.2% Ni.

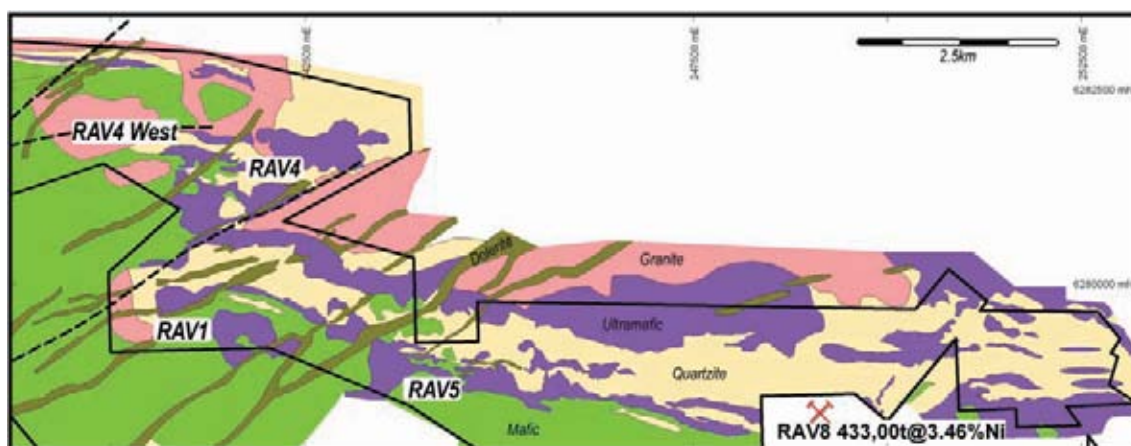


Figure 2. Geology plan of the Jerdacuttup area

### Mine Scoping Study

While the focus of the Joint Venture remains on discovering a new stand alone deposit it has been recognised that the recent sustained increases in the nickel price may now make mining of the known near surface nickel mineralisation a viable proposition. A Mine Scoping Study to assess this possibility was initiated during the year. The relatively poor state of the historical information and the paucity of systematic drillhole data prevented a definitive assessment but some preliminary indications were considered possible.

The Mine Scoping Study focused on the feasibility of mining the shallow nickel mineralisation at the RAV 1, RAV 4, RAV 4 West and RAV 5 Prospects. These prospects have been drilled to varying degrees of confidence by former exploration companies and more recently by Traka and IGO. In each case drilling has confirmed the presence of nickel gossans near surface and nickel sulphide mineralisation extending to depth. Each of these prospects has disseminated and massive

nickel mineralisation in broad sheets on a gently south to southeast dipping basal contact of ultramafic rocks on quartzite.

During the year, a diamond drilling program of 10 holes for 721.4m was completed on the RAV 1, RAV 4 and RAV 4 West Prospects. This program was primarily undertaken to provide ore grade material for metallurgical testwork; the metallurgical characteristics being a critical parameter in determining the optimized ore process methodology and ore recoveries. Of the various options being considered the preliminary financial models indicated that a Heap Leach type project could be most profitable but would expose the project to a higher level of technical risk.

The new assay and metallurgical data from the last drilling program is currently being assessed and the new information from it is being added back to the financial model. The early indications are disappointing but the decision on any further work will obviously only be made once the exercise is completed.

One of the important results of the work completed to date is the realisation that the near surface nickel mineralisation we have been testing has been strongly violaritic. Violarite has some positive metallurgical characteristics but it is a poor electrical conductor and is therefore not particularly amenable to detection by the conventional EM techniques we have been using as a primary exploration tool. This is a frustrating setback but the process has confirmed the existence of an excellent geological setting for the discovery of additional nickel mineralisation at depth. At depth the violarite is expected to diminish and be replaced by nickel mineralisation of the conductive pyrrhotite-pentlandite type which is more typical of nickel deposits in Western Australia. It is now planned to use IGO's proprietary high-powered EM transmitter to delineate new drill targets at depth.

### Mt Short

A Moving Loop Electromagnetic ("MLEM") Survey was completed over 5 kilometres of the prospective ultramafic stratigraphy at Mt Short (Figure 4). Fourteen MLEM anomalies which coincided with favourable ultramafic units and/or soil geochemical anomalies were highlighted. RC drilling was initially used to test these anomalies, but due to difficult in-hole conditions the program was completed with diamond drilling. A total of 11 RC drill holes for 963 metres and 9 diamond drill holes for 1506.6 metres were completed. Although no significant assay results were returned a favorable geological setting for nickel mineralisation was indicated and massive sulphides were intersected, which encouraged the continuation of further exploration work.

Further MLEM surveying has been also carried out south of Mt Short over extensions of the prospective ultramafic horizon. A number of bedrock conductors have been located and of particular interest are those in close proximity to RAB and geochemical anomalies identified by previous explorers. The MLEM anomalies are being evaluated and ranked prior to further drill testing.

### Carlingup and Gap Area

A MLEM survey similar to that undertaken over the Mt Short area has been completed over the Carlingup area. Several MLEM anomalies have been highlighted by this work. They coincide with prospective ultramafic horizons and geochemical anomalies previously identified in soil sampling programs. These targets are now ready for drilling at the next available opportunity.

At The Gap, where the vegetation is thick and the topography very steep, a further 8 kilometres of ultramafic stratigraphy is being scheduled for MLEM surveying. Geological mapping and geochemical sampling of this prospect has already highlighted prospective ultramafic horizons for the MLEM survey to focus on.

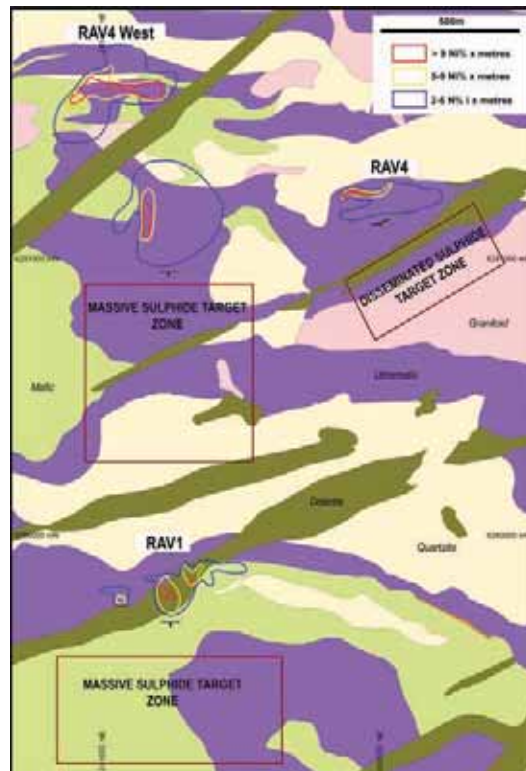


Figure 3. Geology and targets at RAV1, RAV4 and RAV4 West

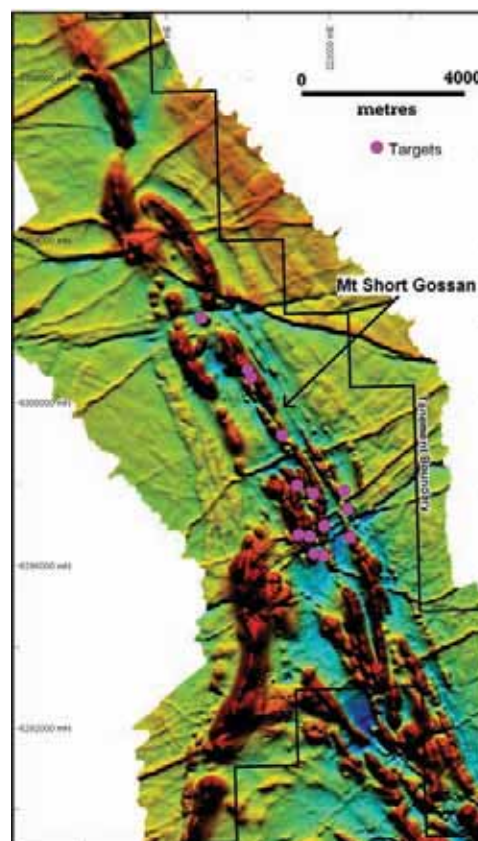


Figure 4. Aeromagnetic image and targets at Mt Short.

# The Ravensthorpe Iron Ore Project

The Iron Ore potential at Ravensthorpe was first recognised by the prospecting syndicate Acton and Coleman in the 1960's. Fourteen separate zones of prospective iron ore mineralisation were identified by geological mapping, surface rock-chip sampling and drilling (Figure 5). The majority of these zones are

to depths of up to 30 metres with drill sample assays returning results between 25% and 55% iron. Geological mapping and drilling shows the pyrite body is strata bound and strikes locally for 1.5 kilometres before being displaced by a fault and disappearing under laterite cover.

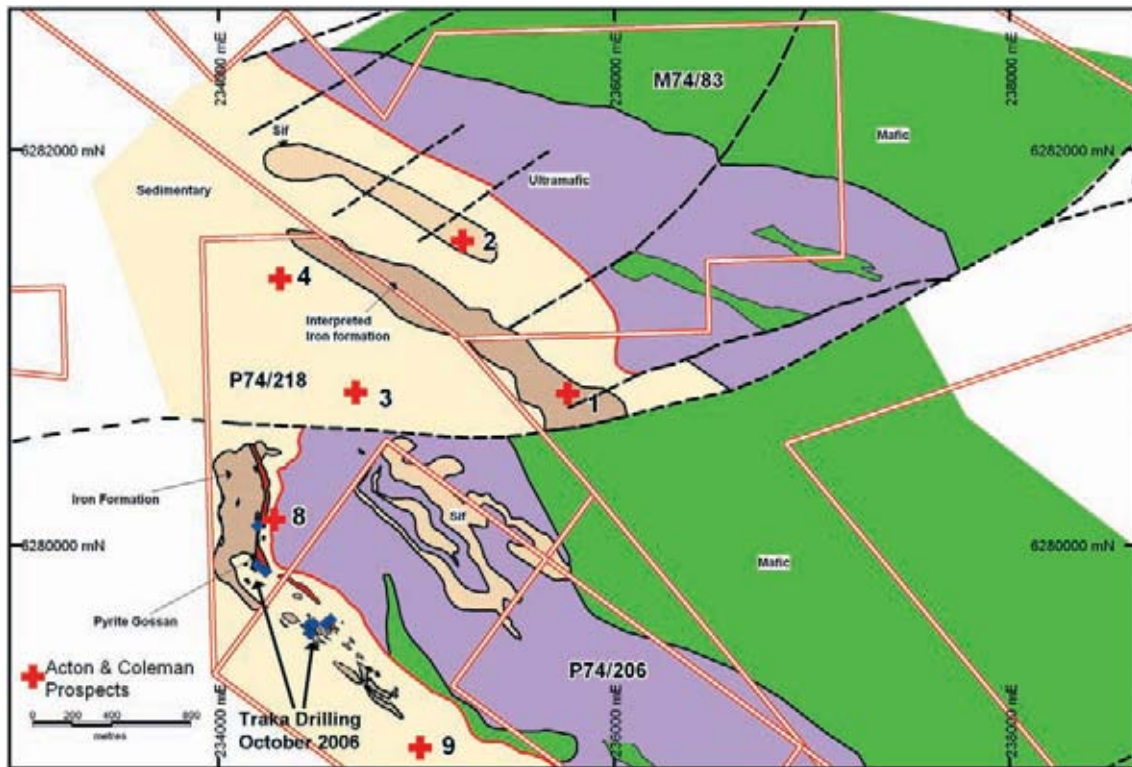


Figure 5. Geological plan of The Gap showing iron ore potential.

located within Traka's ground holding although accurate relocation of specific sample sites and drill holes is no longer possible.

Our own inspection and rock-chip sampling of these mineralised sites have generally confirmed the earlier results. In October 2006 Traka undertook a small reconnaissance style RC drilling program in the area around Acton and Coleman Prospect Number 8 to test an outcropping zone of hematitic ironstone assaying between 55% and 68% iron in rock-chip samples.

The drill program revealed that the hematite outcrop on this prospect was formed over a massive pyrite body. The massive pyrite has altered to hematitic ironstone

Two settings for iron ore mineralisation are now recognized at Ravensthorpe. The first being that associated with massive pyrite and the second being the Banded Iron Formation ("BIF") initially recognized in the region. The BIF potential is readily observed in the aeromagnetic image whereas the hematite altered pyrite has a very subdued aeromagnetic signature (Figure 6).

It is evident from the work completed to date that there is a significant opportunity to delineate an iron ore resource at Ravensthorpe. Over 13 kilometres of prospective strike length occurs within Traka's ground holding. While laterite cap-rocks blanket large sections of strike there is now sufficient knowledge and encouragement to justify an aggressive follow-up work program.



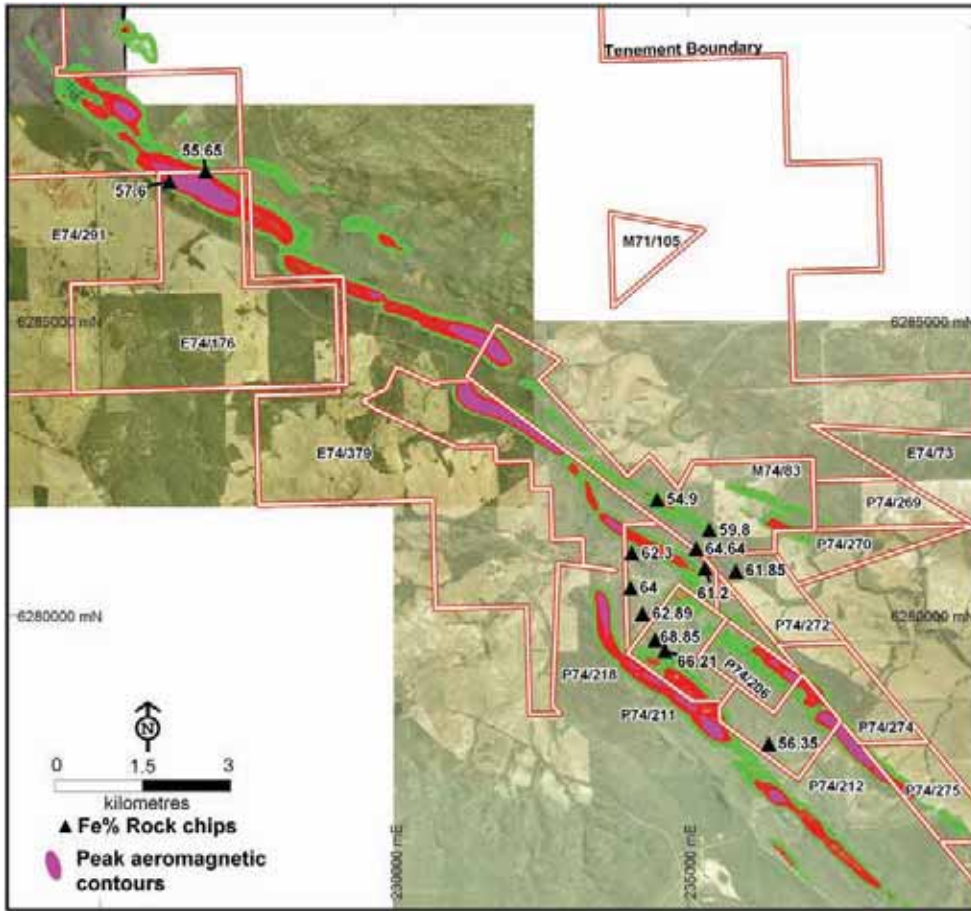


Figure 6. Aerial photograph with the aeromagnetic trends overlaid.

## Ravensthorpe Gold Project

No significant exploration activity was carried out on this project through the year. The future of this project lies in its inclusion with a larger resource base of sufficient critical mass to sustain economic operations. Various opportunities have been looked at to achieve this outcome with no success to date.

# The Musgrave Project

As stated previously Traka now has a very substantial project in the Musgrave region of Western Australia. At present this equates to 12 Exploration Licence applications covering approximately 6500 square kilometres. This area in general is one of the most prospective and under-explored regions in Australia.

Traka's extensive ground holding provides for a number of different exploration opportunities. The Proterozoic Musgrave Province contains one of the largest mafic/ultramafic layered intrusive complexes in the world. This geological setting hosts some world class nickel-chrome and PGE deposits. The Musgrave Province is also located at the triple point junction of three major cratons with intersecting continental scale structures (Figure 7). This setting hosts some of the world's largest IOCG deposits prospective for copper, nickel, gold and uranium. Traka's tenements also extend over the margins of the Officer and Gunbarrel basins. The contact zone of the Musgraves with these sedimentary basins has a complex structural and stratigraphic history. This setting is favourable for uranium and sediment hosted base metal mineralisation.

The isolation of the area, the difficult desert environment and its location within Aboriginal Lands has seriously impeded past exploration endeavours. These factors, although still present, are now less daunting. The application of new technologies has made remote exploration more effective and affordable and there are now several established agreements with the Aboriginal landowners which have set a precedent for exploration work on the land.

The adoption of modern exploration strategies, particularly the use of systematic geochemical surveys will enable effective, rapid and cost effective surveys to be undertaken on a regional basis. The new discoveries in the Musgrave region have largely been attributed to geochemical surveys and there is therefore very good reason to continue with this approach. Although the region is extensively blanketed by regolith, it has been demonstrated that the cover is relatively thin and that surface and shallow sub- surface sampling regimes can be utilized over large areas.

Field exploration will commence following grant of the some of the tenements and finalization of the first of the Access Agreements.

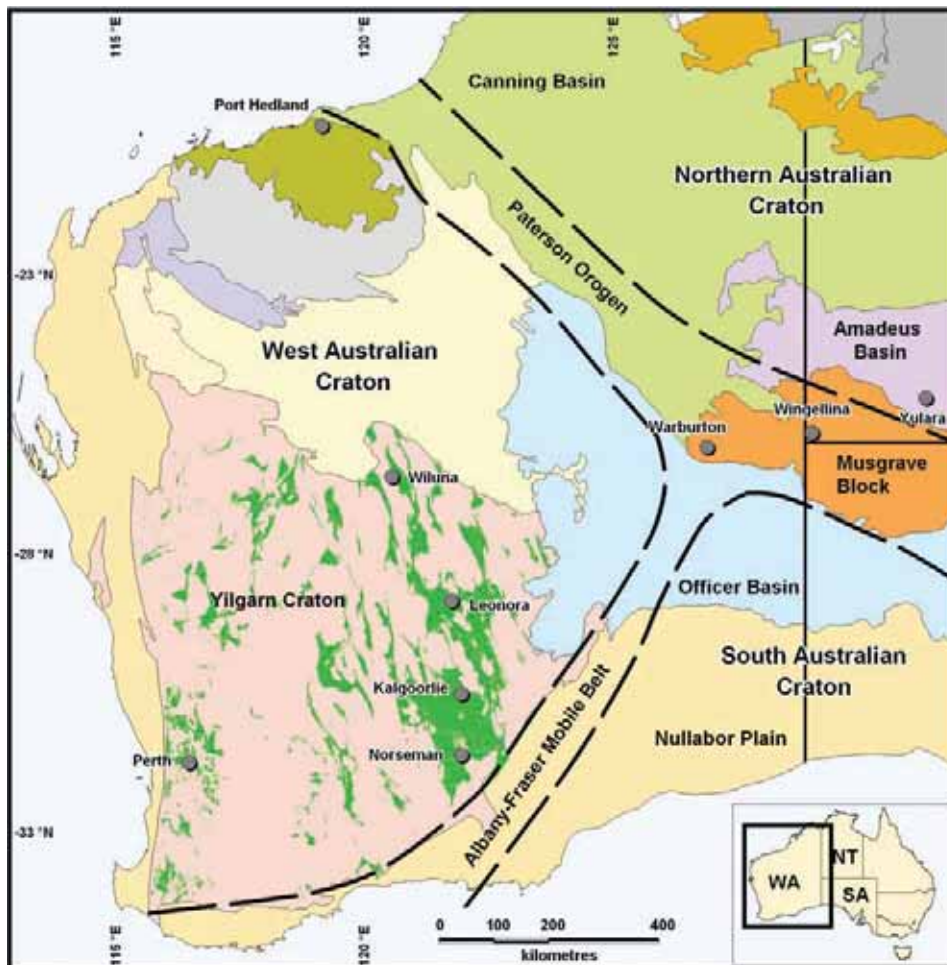


Figure 7. Regional setting of the Musgrave Project

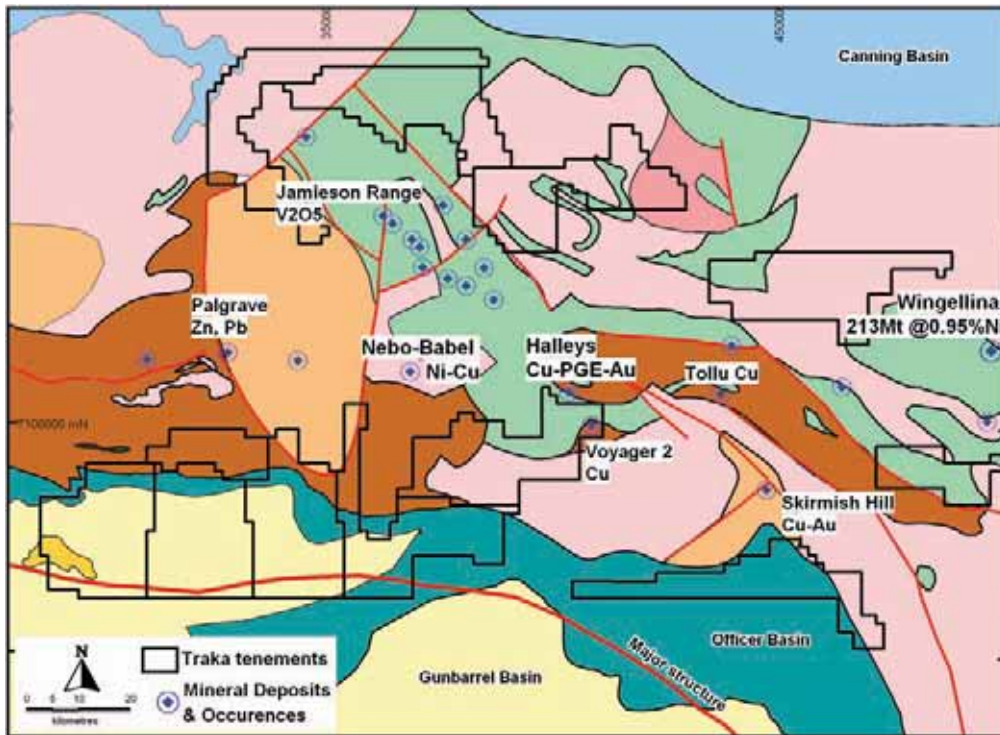


Figure 8. Geological plan of the Musgrave Project tenements.

## Lort River and Hopetoun Projects

Exploration licence applications have recently been made for ground in the Hopetoun and Salmon Gums area of Western Australia. These tenements straddle the major tectonic contact zone between the Archaean Yilgarn Craton and Proterozoic aged rocks of the Fraser Orogen (Figure 9). This position is particularly

prospective for gold hosted in a structural setting and the tenements also have potential for hosting uranium mineralisation in palaeo-channels.

A desk-top study of all relevant geological and geophysical data is underway while awaiting grant of the tenements.

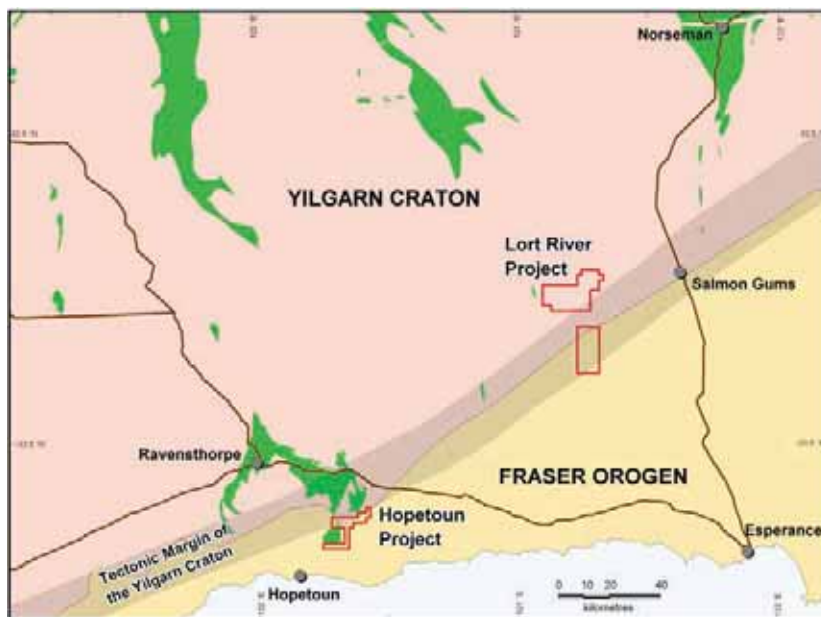


Figure 9. Geological setting of Lort River and Hopetoun tenements.

The information in this report that relates to Exploration Results is based on information compiled by Mr. P. A. Verbeek the Managing Director of Traka Resources Ltd. Mr. P. A. Verbeek is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. P. A. Verbeek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears and has not withdrawn his consent.



# Schedule of Tenements

Tenement Type	Tenement Number	Project	Registered Holder	Traka % Interest
ELA	74/0411	Lort River	Traka Resources Ltd	100%
ELA	74/0412	Lort River	Traka Resources Ltd	100%
ELA	69/2236	Musgrave	Traka Resources Ltd	100%
ELA	69/2237	Musgrave	Traka Resources Ltd	100%
ELA	69/2238	Musgrave	Traka Resources Ltd	100%
ELA	69/2239	Musgrave	Traka Resources Ltd	100%
ELA	69/2240	Musgrave	Traka Resources Ltd	100%
ELA	69/2312	Musgrave	Traka Resources Ltd	100%
ELA	69/2378	Musgrave	Traka Resources Ltd	100%
ELA	69/2387	Musgrave	Traka Resources Ltd	100%
ELA	69/2394	Musgrave	Traka Resources Ltd	100%
ELA	69/2403	Musgrave	Traka Resources Ltd	100%
ELA	69/2411	Musgrave	Traka Resources Ltd	100%
EL	74/0073	Ravensthorpe	Traka Resources Ltd	100%
EL	74/0144	Ravensthorpe	Traka Resources Ltd	100%
EL	74/0176	Ravensthorpe	Traka Resources Ltd	100%
EL	74/0209	Ravensthorpe	Traka Resources Ltd	100%
EL	74/0291	Ravensthorpe	Vistarise Ltd	Earning up to 100%
ELA	74/0332	Ravensthorpe	Traka Resources Ltd	100%
EL	74/0378	Ravensthorpe	Traka Resources Ltd	100%
EL	74/0379	Ravensthorpe	Traka Resources Ltd	100%
ELA	74/0380	Ravensthorpe	Traka Resources Ltd	100%
ELA	74/0381	Ravensthorpe	Traka Resources Ltd	100%
ELA	74/0386	Ravensthorpe	Traka Resources Ltd	100%
ELA	74/0400	Ravensthorpe	Vistarise Ltd	Earning up to 100%
ELA	74/0401	Ravensthorpe	Traka Resources Ltd	100%
ELA	74/0405	Hopetoun	Traka Resources Ltd	100%
ELA	74/0408	Hopetoun	Traka Resources Ltd	100%
ML	74/0082	Ravensthorpe	Traka Resources Ltd	100%
ML	74/0083	Ravensthorpe	Traka Resources Ltd	100%
ML	74/0084	Ravensthorpe	Traka Resources Ltd	100%
ML	74/0085	Ravensthorpe	Traka Resources Ltd	100%
ML	74/0105	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0106	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0130	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0134	Ravensthorpe	K H Piper	Earning up to 90%
MLA	74/0148	Ravensthorpe	K H Piper	Earning up to 90%
MLA	74/0151	Ravensthorpe	J H Kelly	Earning up to 90%
MLA	74/0152	Ravensthorpe	J H Kelly	Earning up to 90%
MLA	74/0156	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0157	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0204	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0206	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0207	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0208	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0212	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0215	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0216	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0217	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0218	Ravensthorpe	Traka Resources Ltd	100%



# Schedule of Tenements

Tenement Type	Tenement Number	Project	Registered Holder	Traka % Interest
MLA	74/0221	Ravensthorpe	Vistarise Ltd	Earning up to 100%
MLA	74/0222	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0223	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0224	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0225	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0226	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0227	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0228	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0229	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0230	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0231	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0232	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0233	Ravensthorpe	Traka Resources Ltd	100%
MLA	74/0234	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0206	Ravensthorpe	K H Piper	Earning up to 90%
PL	74/0211	Ravensthorpe	J H Kelly	Earning up to 90%
PL	74/0212	Ravensthorpe	J H Kelly	Earning up to 90%
PL	74/0218	Ravensthorpe	KH Piper	Earning up to 90%
PL	74/0252	Ravensthorpe	Traka Resources Ltd	100%
PLA	74/0253	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0262	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0263	Ravensthorpe	K H Piper	Earning up to 90%
PL	74/0264	Ravensthorpe	J H Kelly	Earning up to 90%
PL	74/0265	Ravensthorpe	J H Kelly	Earning up to 90%
PL	74/0266	Ravensthorpe	K H Piper	Earning up to 90%
PL	74/0267	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0268	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0269	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0270	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0271	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0272	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0273	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0274	Ravensthorpe	Traka Resources Ltd	100%
PL	74/0275	Ravensthorpe	Traka Resources Ltd	100%
PLA	74/0279	Ravensthorpe	Traka Resources Ltd	100%
PLA	74/0280	Ravensthorpe	Traka Resources Ltd	100%
PLA	74/0281	Ravensthorpe	K H Piper	Earning up to 90%
PLA	74/0293	Ravensthorpe	Traka Resources Ltd	100%
PLA	74/0294	Ravensthorpe	Traka Resources Ltd	100%
PLA	74/0295	Ravensthorpe	K H Piper	Earning up to 90%
PLA	74/0296	Ravensthorpe	J H Kelly	Earning up to 90%
PLA	74/0297	Ravensthorpe	J H Kelly	Earning up to 90%
PLA	74/0298	Ravensthorpe	K H Piper	Earning up to 90%
PLA	74/0299	Ravensthorpe	Traka Resources Ltd	100%
PLA	74/0307	Ravensthorpe	Vistarise Ltd	Earning up to 100%
PLA	74/0308	Ravensthorpe	Vistarise Ltd	Earning up to 100%
PLA	74/0309	Ravensthorpe	Traka Resources Ltd	100%
PLA	74/0310	Ravensthorpe	Traka Resources Ltd	100%

EL Exploration Licence  
 ML Mining Licence  
 PL Prospecting Licence

ELA Exploration Licence Application  
 MLA Mining Licence Application  
 PLA Prospecting Licence Application

# Corporate Governance Statement

For the year ended June 30, 2007

Traka Resources Limited ("Traka") is a small listed company with an uncomplicated corporate structure and relatively simple financial and management control requirements. It adheres to the ten Essential Corporate Governance Principles as published by the ASX Corporate Governance Council and has adopted those of the Best Practice Recommendations which its Board considers to be relevant and essential for the efficient management of the Company and its business whilst safeguarding shareholder assets.

The following is a detailed review of the Corporate Governance measures current at Traka:

## MANAGEMENT AND OVERSIGHT

### Objectives of the Board

The Board's key objectives are the addition of value to corporate assets whilst safeguarding shareholders' rights and interests together with the provision of an appropriate overview of management. With this in mind, the Board meets regularly in the appropriate discharge of its responsibilities.

### Board Responsibility

The Board concentrates Traka on the investigation of exploration opportunities in the mineral resource business which are judged to have the potential for success without exposing the Company to undue risk by establishing and maintaining adequate management control through monitoring systems which include:

- (a) continually reviewing the performance of the Company and its executive, including management and financial performance, overseeing strategy implementation and where necessary ensuring appropriate resources are available - in this context the board retains the right to replace the Company's Managing Director;
- (b) at regular Board meetings, reviewing, approving and amending where necessary the Managing Director's annual programmes and budgets and Traka's overall corporate objectives;
- (c) putting in place effective risk management and legal exposure reviews;
- (d) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- (e) maintaining responsibility for the overall financial management of the Company with the ability to approve the appointment (if necessary) of a Financial Officer and to replace the Company Secretary;
- (f) monitoring and approving financial and other reporting;
- (g) supervising the overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities to ensure division of functions remain appropriate to corporate needs;
- (h) liaising with Traka's external auditors;
- (i) monitoring, and ensuring compliance with all of Traka's legal obligations, in particular those relating to the maintenance of the Company's mineral tenements, the environment, native title, cultural heritage and occupational health and safety requirements.

Within the above framework the Board retains the ability to delegate some of its responsibilities; however, to date, the size of the Company and the nature of its operations has resulted in any delegation being kept to a minimum.

### Materiality

The Board has agreed on the following guidelines, which are deemed appropriate for a company of the maturity and size of Traka for assessing the materiality of matters:

- (a) Materiality – Quantitative  
All statement of financial position and statement of financial performance items are material.
- (b) Materiality – Qualitative
  - (i) any matters which impact on the reputation of Traka and/or its Board;
  - (ii) any activities of the Company, its joint venturers, employees or contractors which may involve a breach of legislation or are in the Board's view outside the ordinary course of its business;
  - (iii) any matter which might negatively affect Traka's rights to its assets;
  - (iv) any activity of the Company its joint venturers, employees or contractors which has the capacity to involve a contingent liability that would in the Board's view have a potential material effect on the Company's statement of financial position or a similar effect on one or more statement of financial performance items.

# Corporate Governance Statement

For the year ended June 30, 2007

## (c) Material Contracts

Traka is a relatively small company and its Directors consider most contracts entered into by the Company to be material. With the exception of day to day agreements the responsibility for which fall upon the Managing Director, all contracts are subjected to review by the Board.

## BOARD OF DIRECTORS

The name, expertise, experience and term of the office of each director is set out in the Directors' Report. The Board comprises three non-executive directors, including the Chairman, and one executive director being the Managing Director.

### Independent Directors

There are no independent directors on the Board, within the strict meaning of the term as set down in the ASX Principles of Good Corporate Governance, because all the current directors are substantial shareholders as defined in the Corporations Act and hence are deemed to lack independence. However the make up of the Board is such that although each of Traka's directors, because of his shareholding in the Company, is not deemed to be independent, the Board is satisfied that there is sufficient independence of view and lack of association between directors to mollify any reservations which shareholders might have in this regard.

### The Chairman

The Chairman is a non-executive director and is responsible for leadership of the Board and for the efficient organisation and conduct of the Board. He also retains overall responsibility, subject to management input, for communication with shareholders.

### The Managing Director

The Managing Director runs the Company on a day-to-day basis pursuant to authority delegated by the Board and is responsible for the implementation of Board and corporate policy and planning in accordance with approved programmes and budgets. The Managing Director reports to the Board regularly and is under an obligation to make sure that all reports which he presents give a true and fair view of Traka's exploration and other activities and its then current financial status.

### Nomination for board positions

The full Board will decide on the choice of any new director(s) upon the creation of any new board position and/or if any casual vacancy arises. Full minutes will be kept of any meetings of the Board where any decisions to appoint new directors are taken. The small size of the Company and the Board do not warrant the formation of a nomination committee.

### Independent professional advice

Each director has the right to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required and will not be unreasonably withheld.

## ETHICAL AND RESPONSIBLE DECISION MAKING

### Code of Conduct

The Board adheres to and is responsible for enforcing the Corporate Code of Conduct set out in this Corporate Governance Statement.

### Policy on share trading

Traka Board policy is that directors, officers and employees are prohibited from dealing in Traka's shares when they possess inside information. The Board is to be notified when trading of shares in Traka by any Director or officer of the Company occurs.

## INTEGRITY IN FINANCIAL REPORTING

### Financial Reports

The Managing Director is required to confirm in writing to the Board that the Company's half year & full year financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

# Corporate Governance Statement

## For the year ended June 30, 2007

### Audit Committee

Traka's Directors do not consider that the Company's affairs are of such a size and complexity as to merit the establishment of a separate audit committee. Until this situation changes, the Board of Traka will carry out any necessary audit committee functions.

The Board monitors the form and content of the Company's financial statements; it also has an overview of Traka's internal financial control audit and risk management systems.

Additionally, on an annual basis the Board, in line with its overall responsibility to shareholders, reviews the performance of the external auditor and the continuation of that appointment. Directors also approve the remuneration and terms of engagement of the external audit firm. Any appointment of a new external auditor will be submitted for ratification by shareholders at the next annual general meeting of the Company.

### TIMELY AND BALANCED DISCLOSURE

Compliance procedures, to ensure timely and balanced disclosure of information in line with ASX Listing Rule disclosure requirements and Continuous Disclosure Guidelines, have been noted and adopted by Traka. The Company Secretary is charged with ensuring that any necessary steps which need to be taken by the Company in this area are brought before the Board for discussion and, subject to amendment, approval.

### COMMUNICATION WITH AND PARTICIPATION OF SHAREHOLDERS

Traka maintains a website at [www.trakaresources.com.au](http://www.trakaresources.com.au)

Under various headings Traka shareholders may find all recent information on the Company, its recent ASX releases, its projects and its corporate profile. Shareholders may also register for receipt of an automatic copy by email of all Traka ASX releases.

Traka will invite its external auditor to attend every annual general meeting and to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

### RISK MANAGEMENT

Consistent with the compliance systems detailed elsewhere in this statement the Board takes responsibility for the risk management of the Company.

The Board routinely reviews corporate risk and supervises internal compliance and control systems.

The Managing Director is responsible to the board for ensuring the systems are complied with and is required annually to make a statement to the board in writing to this effect.

Whilst high priority is given to the management of risk in the Company, current and potential investors are reminded that Traka is a company engaged in exploration activities which by their very nature are high risk and if successful may give rise to high rewards.

### PERFORMANCE EVALUATION OF THE BOARD, INDIVIDUAL EXECUTIVE AND NON-EXECUTIVE DIRECTORS

The Chairman conducts regular informal reviews of Board and executive performance including that of the Company Secretary on at least an annual basis.

### REMUNERATION OF DIRECTORS AND EXECUTIVES

The Company currently has one full time employee, the Managing Director. The full Board excluding the Managing Director carries out an annual review of the adequacy of his remuneration, and participation in share incentive arrangements.



# Corporate Governance Statement

For the year ended June 30, 2007

The size of Traka and the current remuneration of non-executive directors is not considered of a size and nature to warrant independent review or the formation of a separate remuneration committee.

Details of directors' and executives' remuneration are set out in the annual Financial Report in accordance with accounting standards.

## CORPORATE CODE OF CONDUCT AND OBJECTIVES

Traka is committed to:

- (a) applying the Company's funds in an efficient manner and providing above average and sustainable returns to shareholders through both capital appreciation and the payment of dividends when in a position to do so;
- (b) applying high standards of professional excellence and being a leader in its chosen field of operations;
- (c) adopting high standards of occupational health and safety, environmental management and ethics;
- (d) fostering and maintaining a culture of ownership, care and professional excellence from the Company's employees; and
- (e) ensuring that all of its business affairs are conducted legally, ethically and with integrity

### Corporate Responsibility

Traka complies with all legislative and common law requirements which affect its business, particularly environmental regulations, native title and cultural heritage laws.

### Employment

Traka policy is to employ the best available staff; at this stage in the Company's development all potential employees will be subject to full Board scrutiny.

### Third Parties

The Company treats third parties in a fair and reasonable manner and does not engage in deceptive practices.

### Conflict of Interest

The Board is obligated to avoid situations of real or apparent conflict of interest between board members as individuals and as Directors or as is the case with the Managing Director, as an employee of Traka, a Director of Traka and an individual. If a situation where a conflict of interest arises the Chairman is to be notified; the matter will then be considered and the appropriate steps taken to avoid a repetition.

### Breach of Corporate Governance

Any breach of Corporate Governance is to be reported directly to the Chairman.

### Review of Rules of Corporate Governance

The Board through the Chairman monitors the Company's compliance with the Rules periodically.

# Directors' Report

## For the year ended June 30, 2007

Your Directors present their report on Traka Resources Ltd ("Traka" or "the Company") for the year ended 30 June 2007.

### DIRECTORS

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Neil Tomkinson  
Patrick Verbeek  
George Petersons  
Joshua Pitt

### PRINCIPAL ACTIVITIES

During the year the principal activity of the Company was exploration of Traka's mineral tenements.

### DIVIDENDS

Traka is an exploration company and accordingly the directors have decided that no dividends should be paid by the Company for the year under review.

### REVIEW OF OPERATIONS

#### The Ravensthorpe Nickel Project (IGO Earning 51%)

Exploration activity on this project continued through the year under the management of The Independence Group NL ("IGO"). Under the joint venture agreement IGO has to expend a total of \$6.5 million by 31 December 2009 to earn a 51% interest in the project. By June of this year IGO had spent approximately half of this total.

Exploration work predominantly comprised drilling and electromagnetic ("EM") surveys. A number of new EM targets were drilled in the Mt Short portion of the project and further drilling was completed on the RAV 4 West targets in the Jerdacuttup area.

A Mine Scoping Study was also initiated in the later half of the year to investigate the viability of mining the RAV 4, RAV 4 West and RAV 1 Prospects. This study was prompted by the increased and encouraging outlook for the nickel price as well as the presence of known nickel mineralisation at RAV 1, RAV 4 and RAV 4 West. This study is underway and drilling for metallurgical samples has recently been completed.

The study was commissioned to investigate the economic viability of mining the near surface mineralisation at RAV1, RAV 4 and RAV 4 West and assumed the continuation of relatively high nickel prices into the future. The results of the study so far indicate that a heap leach type of operation may provide the best return but could potentially expose joint parties to a higher level of technical risk in that it would utilise commercially unproven technologies.

Exploration programs including more EM surveys and drilling are currently being planned and work on the Mine Scoping Study is continuing. Activity levels on the Ravensthorpe Nickel project can be expected to stay high for the following financial year.

#### The Ravensthorpe Iron Ore Project

A small Reverse Circulation ("RC") drilling program, completed early in the year, tested one small portion of the Ravensthorpe Iron Ore project. It was found that the high grade hematitic rock-chip samples, previously obtained in this location, were developed over a massive pyrite body at depth. Potential for further iron mineralisation of this type plus iron derived from the more common Banded Iron Formation ("BIF") source remains to be tested on the project. Further drilling is now being planned on the project in the coming summer period.

# Directors' Report

## For the year ended June 30, 2007

### The Musgrave Region Project

During the year the company has continued to build up a substantial exploration portfolio of ground within the West Australian portion of the Musgrave region. The exploration properties have potential for nickel, copper, platinum, gold and uranium. The exploration licence applications in the Musgrave region form a significant new focus for the company in an area with very limited previous exploration history.

Negotiations with the Aboriginal landowners for access to the land have progressed during the year. Finalisation of these discussions will be necessary before any field work can commence.

### The Hopetoun and Lort River Projects

Exploration Licence applications in the Hopetoun and Lort River areas of south west Western Australia have recently been made in areas prospective for gold and uranium. The exploration licences in these locations occur over a major tectonic contact zone between the Archaean aged Yilgarn Craton and the Proterozoic aged rocks of the Fraser Orogen.

Compilation of data and planning for the commencement of exploration programs is currently underway for these projects.

### Corporate

During the year the Company issued 11,195,550 new ordinary shares at 18 cents each to raise \$2 million by way of a pro-rata entitlement issues of shares.

A full review of operations during the financial year and the results of those operations will be set out separately in the Company's Annual Report.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than those shown above, there were no significant changes in the state of affairs of the Company during the year.

## RESULTS AND FINANCIAL POSITION

Traka Resources Limited had a net loss for the financial year of \$588,458 (2006: \$1,006,382).

At the end of the financial year the Company had net cash balances of \$2,086,566 (2006: \$346,889) and net assets of \$2,097,296 (2006: \$507,355).

Total liabilities amounted to \$43,086 (2006: \$39,600) and were limited to trade and other creditors and employee entitlements.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR AND LIKELY DEVELOPMENTS

There are no matters or circumstances which have arisen since the end of the financial year which have significantly affected the operations of the Company nor are there any such matters or circumstances or any likely developments which may affect the future results of those operations or the state of affairs of the Company.

## ENVIRONMENTAL REGULATION

The Company is subject to and compliant with all aspects of environmental regulation of its exploration activities. The Directors are not aware of any environmental law that is not being complied with.

# Directors' Report

## For the year ended June 30, 2007

### INFORMATION ON DIRECTORS

#### Chairman

Neil Tomkinson LLB

Mr Tomkinson has extensive experience over the last 27 years in the administration of and investment in exploration and mining companies. Prior to its merger with LionOre Mining International Limited he was the non-executive chairman of Dalrymple Resources NL (resigned October 2003) and is the non-executive chairman of Hampton Hill Mining NL (appointed January 1997) and a non-executive director of Pan Pacific Petroleum NL (appointed June 2006). Mr Tomkinson is also an investor in private mineral exploration and in resources in general in Australia.

#### Managing Director

Patrick Verbeek BSc, AusIMM

Patrick Verbeek is a geologist with over 26 years experience in the resource industry in Australia and internationally. Mr Verbeek's experience is wide ranging and is spread equally between mineral exploration and mining, company management and corporate activity. Mr Verbeek has held a number of senior management positions in exploration and mining operations both in open-pit and underground gold and base metal operations as well as executive directorships in private and public resource companies. Mr Verbeek is a founding Director of Traka.

Mr Verbeek held no other directorships of ASX listed companies during the last three years.

#### Non Executive Director

George Petersons

Mr Petersons is an experienced prospector with a long history of identifying and acquiring prospective exploration and ground packages. He is a founding director of Traka. He has established himself as a consultant to the industry with local and offshore mining interests in precious metals, gemstones and base metals.

During the last three years Mr Petersons held a directorship in Ferraus Limited (resigned November 2003), an ASX listed company.

#### Non Executive Director

Joshua Pitt BSc, MAusIMM, MAIG

Mr Pitt is a geologist with substantial exploration experience who has for more than 30 years been a director of exploration and mining companies in Australia. Prior to its merger with LionOre Mining International Limited he was a director of Dalrymple Resources NL (resigned October 2003). More recently he was a non-executive director of LionOre Mining International Limited (appointed November 2003, resigned May 2005) and is currently a non-executive director of Hampton Hill Mining NL (appointed January 1997), Red Metal Limited (appointed July 2003) and Red Hill Iron Ltd (appointed June 2005). Mr. Pitt is involved in substantial private mineral exploration and also in resource investments.

#### Management

##### Company Secretary

Peter Ruttledge BSc, CA, FFin

Mr Peter Ruttledge holds a Bachelor of Science degree and is a Chartered Accountant and a fellow of the Financial Services Institute of Australia. Mr Ruttledge has held the position of Company Secretary for a number of listed companies over the past twenty years.



# Directors' Report

## For the year ended June 30, 2007

### DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this report the interests of the Directors in the shares and options of the company are as follows:

	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
N Tomkinson	-	3,776,299	-	-
P A Verbeek	-	1,916,666	2,000,000	2,000,000
G J Petersons	1,750,000	-	-	-
J N Pitt	-	4,729,632	-	-

### DIRECTORS' MEETINGS

The following Directors' meetings were held during the year and the number of meetings attended by each of the directors during the year was:

	Meetings held while a Director	Number of meetings attended
N Tomkinson	4	4
P A Verbeek	4	4
G J Petersons	4	4
J N Pitt	4	4

# Directors' Report

## For the year ended June 30, 2007

### REMUNERATION REPORT

#### Directors

The following persons were directors of Traka Resources Limited during the whole of the financial year:

#### Non-executive Chairman

Neil Tomkinson

#### Managing Director

Patrick Verbeek

#### Non-executive Directors

George Petersons

Joshua Pitt

#### Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

#### Company Secretary

Desmond Kelly (until 13 September 2006)

Peter Rutledge (from 13 September 2006)

#### Remuneration of Key Management Personnel

##### (A) Remuneration policy (audited)

##### Principles used to determine the nature and amount of remuneration

The Board remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Remuneration is reviewed by the board on an annual basis having regard to performance and market competitiveness.

The remuneration framework has regard to shareholders' interests in the following ways:

- Focuses on sustained growth in share price, as well as focusing the executive on key non-financial drivers of value, and
- Attracts and retains high calibre executives.

The remuneration framework has regard to executives' interests in the following ways:

- Rewards capability and experience;
- Reflects competitive reward for contributions in shareholder growth;
- Provides a clear structure for earning rewards, and
- Provides recognition for contribution.

#### Non-executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors fees are reviewed annually and remuneration packages are determined by the board within the maximum amount approved by shareholders from time to time and are set fee amounts with prescribed superannuation if applicable.

# Directors' Report

## For the year ended June 30, 2007

### Executives

Executive remuneration packages include set fee amounts and long term incentives through grants of share options. Executives' remuneration is reviewed annually with regard to competitiveness and performance. There are no guaranteed salary increases fixed in any senior executives' contracts.

### Short term incentives

### Benefits

Executives may receive benefits including reimbursement of reasonable travel and accommodation expenses, payment of professional body membership subscriptions and entertainment benefits.

### (B) Compensation of key management personnel (audited)

Details of the remuneration of each director of Traka Resources Ltd and other key management personnel including their personally-related entities, are set out in the following tables:

#### 2007

Name	Short Term Salary & fees \$	Post Employment Superannuation \$	Share Based Payments \$	Total \$
<b>Non-executive Directors</b>				
N Tomkinson	20,000	1,800	-	21,800
J N Pitt	20,000	1,800	-	21,800
G J Petersons	20,000	1,800	-	21,800
<b>Managing Director</b>				
P A Verbeek	200,000	-	133,000	333,000
<b>Total</b>	<b>260,000</b>	<b>5,400</b>	<b>133,000</b>	<b>398,400</b>

#### 2006

Name	Short Term Salary & fees \$	Post Employment Superannuation \$	Share Based Payments \$	Total \$
<b>Non-executive Directors</b>				
N Tomkinson	20,000	1,800	-	21,800
J N Pitt	20,000	1,800	-	21,800
G J Petersons	20,000	1,800	-	21,800
<b>Managing Director</b>				
P A Verbeek	185,000	-	31,900	216,900
<b>Total</b>	<b>245,000</b>	<b>5,400</b>	<b>31,900</b>	<b>282,300</b>

# Directors' Report

## For the year ended June 30, 2007

### (B) Compensation of key management personnel (audited) (continued)

#### Other Key Management Personnel

##### 2007

Name	Short Term Salary & fees	Post Employment Superannuation	Share Based Payments	Total
	\$	\$	\$	\$
D J Kelly – Company Secretary	10,510	-	-	10,510
P C Ruttledge – Company Secretary	28,500	-	-	28,500

##### 2006

Name	Short Term Salary & fees	Post Employment Superannuation	Share Based Payments	Total
	\$	\$	\$	\$
D J Kelly – Company Secretary	37,998	-	-	37,998

### (C) Compensation options granted (audited)

Directors and other key management personnel are entitled to take part in the Traka Resources Employee Share Option Plan. Share based payments are made at the discretion of the board of directors. Directors receiving share based payments are not involved in any board discussions regarding their remuneration. Share based payments are provided as incentives and are not linked to company performance.

The following options were issued to key management personnel:

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

No of Options	Grant date	Date vested and exercisable	Expiry date	Exercise price	Value per option at grant date
1,000,000	28 Dec 2006	28 Dec 2006	28 Dec 2011	\$0.20	\$133,000
1,000,000	29 Nov 2005	29 Nov 2005	29 Nov 2010	\$0.20	\$31,900

Each option is convertible into one ordinary share.

Options granted under the plan carry no dividend or voting rights.

# Directors' Report

## For the year ended June 30, 2007

### (C) Compensation options granted (audited) (continued)

Details of the options in the Company provided as remuneration to key management personnel of the Company are set out below. Further information on options is set out in Note 13 to the financial statements.

Name	Number of options granted and vested during the year	
	2007	2006
Directors		
P Verbeek	1,000,000	1,000,000
Other key management personnel	-	-

The fair value of the options issued during the years ended 30 June 2007 and 30 June 2006 has been calculated as at the date of grant using the Black-Scholes model for the valuation of call options.

The valuation is based on the following facts and assumptions:

	2007	2006
Grant date	28 December 2006	29 November 2005
Exercise by	28 December 2011	29 November 2010
Exercise price per share	20 cents	20 cents
Expected average life of the options	3 years	3 years
Underlying security spot price at time of grant	24 cents	18.8 cents
Risk free interest rate	6.05%	5.12%
Expected volatility	70%	22.57%

Historical volatility has been the basis for estimating likely future share price volatility. Actual future volatility may differ from the estimate used.

The expected average life of the options has been estimated as 3 years. The actual life could differ from this estimate if the holder of the options chooses to exercise his options prior to their expiry date.

During the financial year there were no shares issued as a result of the exercise of remuneration options.



# Directors' Report

## For the year ended June 30, 2007

### (D) Employment Agreements (audited)

#### Managing Director

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 has agreed to provide the services of its employee, 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 the 20 November 2003 and continued for a period of 2 years. Prior to its expiry, the Company and the Consultant elected to extend the term of the Consultancy Agreement for a further period of 2 years. The current level of remuneration in terms of this agreement is set at \$200,000 (2006:\$185,000). There are no termination arrangements in respect of Mr Verbeek's employment other than the expectation that he would receive 3 months salary in the event of his services being terminated by the Company.

#### Company Secretary

The Company entered into a consultancy agreement with Sable Management Pty Ltd ("SMPL") on 11 September 2006 ("Consultancy Agreement 2"). In accordance with the terms of the Consultancy Agreement 2, SMPL has agreed to provide the services of its employee, Peter Rutledge to undertake all functions, duties, roles and authorities which the Company would require of a person engaged as Company Secretary of the Company. The Consultancy Agreement 2 commenced on the 13 September 2006 and can be cancelled on 2 months notice by either party. There are no termination arrangements in respect of the Consultancy Agreement.

### (E) Additional information (Unaudited)

Share-based compensation: Options

Further details relating to options are set out below:

Name	A Remuneration consisting of options	B Value at date of grant \$	C Value at exercise date \$	D Value at lapse date \$	E Total of Column B - D \$
P Verbeek	39.94%	133,000	-	-	133,000

A = The percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year.

B = The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.

C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year being the intrinsic value of the options at grant date.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year. Lapsed options refer to options that vested but expired unexercised.

# Directors' Report

## For the year ended June 30, 2007

### MOVEMENTS IN EQUITY HOLDINGS OF KEY MANAGEMENT PERSONNEL

#### Shareholdings

The numbers of shares in the Company held during the financial year by each director and other key management personnel of Traka Resources Limited, including those held by their personally related entities, are set out below:

Name	Opening balance	Acquired during year	Disposed during year	Closing balance
<b>Directors</b>				
N Tomkinson	2,328,333	1,437,966	-	3,766,299
P Verbeek	1,916,666	-	-	1,916,666
J Pitt	2,886,193	1,843,439	-	4,729,632
G Petersons	1,750,000	-	-	1,750,000
<b>Other Key Management Personnel</b>				
P Rutledge	100,000	35,000	-	135,000

#### Option Holdings

The numbers of options to acquire ordinary shares in the Company held during the financial year by each director and the key management personnel of Traka Resources Limited, including those held by their personally related entities, are set out below:

Name	Opening balance	Granted during year	Exercised during year	Closing balance
<b>Directors</b>				
N Tomkinson	-	-	-	-
P Verbeek	3,000,000	1,000,000	-	4,000,000
J Pitt	-	-	-	-
G Petersons	-	-	-	-

#### Other Key Management Personnel

No options were held by other key management personnel.

### SHARES UNDER OPTION

- 2,000,000 options granted 10 Oct 2003, exercisable at 35 cents and expiry date of 10 October 2008;
- 50,000 options granted 5 Feb 2005, exercisable at 20 cents and expiry date of 31 December 2009;
- 1,000,000 options granted 29 Nov 2005, exercisable at 20 cents and expiry date of 29 November 2010;
- 1,000,000 options granted 28 Dec 2006, exercisable at 20 cents and expiry date of 28 December 2011; and
- 200,000 options granted 6 April 2007, exercisable at 25 cents and expiry date of 6 April 2012.

# Directors' Report

## For the year ended June 30, 2007

### INSURANCE OF OFFICERS

During the year the Company paid an amount to insure all current directors of the Company and current executive officers of the Company against liabilities arising out of their conduct whilst acting in the capacity of director or officer of the Company other than conduct involving a wilful breach of duty to the Company. The policy requires that the amount of premium paid and the limits imposed remain confidential.

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

### NON-AUDIT SERVICES

The following non-audit services were provided by the company's auditor BDO Kendall Audit & Assurance (WA) Pty Ltd or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing economic risk and rewards.

Fees paid to BDO Kendalls Audit & Assurance (WA) Pty Ltd

- taxation services	\$8,700
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### AUDITOR

BDO Kendalls Audit & Assurance (WA) Pty Ltd. (formerly known as Horwarth Audit (WA) Pty Ltd) continues in office in accordance with Section 327 of the Corporations Act 2001.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 28.

This report is made in accordance with a resolution of the Directors



NEIL TOMKINSON

Chairman

Dated 27th day of September 2007



BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd  
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SUBIACO WA 6008  
PO Box 700  
WEST PERTH WA 6872  
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www.bdo.com.au

ABN 79 112 284 787

27 September 2007

The Directors  
Traka Resources Limited  
Suite 2, 43 Ventnor Avenue  
West Perth WA 6008

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BDO KENDALLS TO THE DIRECTORS  
OF TRAKA RESOURCES LIMITED**

As lead auditor of Traka Resources Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Traka Resources Limited during the period.

Yours faithfully  
**BDO Kendalls Audit & Assurance (WA) Pty Ltd**

*BDO Kendalls*  
*Peter Toll*

**Peter Toll**  
Director

# Income Statement

For the year ended June 30, 2007

	Notes	2007 \$	2006 \$
<b>Revenue from continuing operations</b>	2	<b>83,094</b>	253,553
Exploration and evaluation expenditure	3	<b>(33,963)</b>	(822,520)
Employee benefits expense	3	<b>(361,909)</b>	(151,662)
Depreciation	3	<b>(16,191)</b>	(16,182)
Administration expenses		<b>(259,489)</b>	(269,571)
<b>Loss before income tax</b>		<b>(588,458)</b>	(1,006,382)
Income tax expense	4	-	-
Loss for the year		<b>(588,458)</b>	(1,006,382)
<b>Net loss attributable to members of Traka Resources Ltd</b>		<b>(588,458)</b>	(1,006,382)
Basic and diluted loss per share (cents)	23	<b>(1.48)</b>	(3.07)

The above Income Statement should be read in conjunction with the accompanying notes.



# Balance Sheet

## As at June 30, 2007

	Notes	2007 \$	2006 \$
<b>Current Assets</b>			
Cash and cash equivalents	6	<b>2,086,566</b>	346,889
Trade and other receivables	7	<b>31,086</b>	176,912
<b>Total current assets</b>		<b>2,117,652</b>	523,801
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>22,730</b>	23,154
<b>Total non-current assets</b>		<b>22,730</b>	23,154
<b>Total assets</b>		<b>2,140,382</b>	546,955
<b>Current liabilities</b>			
Trade and other payables	10	<b>33,010</b>	28,094
Borrowings	11	-	2,192
Provisions	12	<b>10,076</b>	9,314
<b>Total current liabilities</b>		<b>43,086</b>	39,600
<b>Total liabilities</b>		<b>43,086</b>	39,600
<b>Net assets</b>		<b>2,097,296</b>	507,355
<b>Equity</b>			
Contributed equity	13	<b>6,421,879</b>	4,419,760
Reserves	14	<b>212,680</b>	36,400
Accumulated losses	15	<b>(4,537,263)</b>	(3,948,805)
<b>Total equity</b>		<b>2,097,296</b>	507,355

The above Balance Sheet should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

## For the year ended June 30, 2007

	Contributed equity	Share based payments reserve	Accummulated losses	Total
As at 1 July 2006	4,419,760	36,400	(3,948,805)	507,355
Loss for period	-	-	(588,458)	(588,458)
Issue of shares	2,002,119	-	-	2,002,119
Issue of options	-	176,280	-	176,280
As at 30 June 2007	6,421,879	212,680	(4,537,263)	2,097,296
As at 1 July 2005	4,136,762	4,500	(2,942,423)	1,198,839
Loss for period	-	-	(1,006,382)	(1,006,382)
Issue of shares	282,998	-	-	282,998
Issue of options	-	31,900	-	31,900
As at 30 June 2006	4,419,760	36,400	(3,948,805)	507,355

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Cash Flow Statement

For the year ended June 30, 2007

	Notes	2007 \$	2006 \$
<b>Cash flows from operating activities</b>			
Interest received		83,094	33,705
Payments to suppliers and employees (incl GST)		(433,326)	(255,931)
Payments for exploration activities		(132,545)	(1,159,932)
Recovery of exploration expenditure		236,102	-
Other – Compensation for release from mineral rights option expenditure		-	120,000
<b>Net cash outflow from operating activities</b>	5	<b>(246,675)</b>	(1,262,158)
<b>Cash flows from investing activities</b>			
Payments for exploration properties		-	(86,364)
Payments for plant & equipment		(15,767)	(5,433)
<b>Net cash outflow from investing activities</b>		<b>(15,767)</b>	(91,797)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		2,002,119	282,998
<b>Net cash inflow from financing activities</b>		<b>2,002,119</b>	282,998
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>1,739,677</b>	(1,070,957)
Cash and cash equivalents at the beginning of the financial year		346,889	1,417,846
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>2,086,566</b>	346,889

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASB) including (Australian Interpretation), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. The financial statements and notes of Traka Resources Limited comply with International Financial Reporting Standards (IFRSs).

In the prior year, the transitional rules of AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* have been applied in preparing these financial statements.

#### Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit and loss, certain classes of property, plant & equipment and investments property.

Traka Resources Limited is a listed public company, incorporated and domiciled in Australia.

### (b) Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

### (c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:

#### Interest Income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective rate of the instrument, and continues unwinding the discount as interest income.

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 1. STATEMENT OF ACCOUNTING POLICIES (continued)

### (d) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is the tax payable on current period's taxable income based on national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### (e) Leases

Leases of property, plant and equipment where the Company has all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.



# Notes to the Financial Statements

## For the year ended June 30, 2007

### NOTE 1. STATEMENT OF ACCOUNTING POLICIES (continued)

#### (f) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest.

Expenditure incurred during exploration and the early stages of evaluation of new areas of interest is written off as incurred.

Where the Directors decide to progress to development in an area of interest all further expenditure incurred relating to the area will be capitalised. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

#### (g) Recoverable Amount of Non-current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 1. STATEMENT OF ACCOUNTING POLICIES (continued)

### (h) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

### (i) Borrowings

Any loans incurred by the Company will be carried forward at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest will be accrued over the period it becomes due and will be recorded as part of other creditors.

### (j) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

### (k) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### (l) Trade Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

# Notes to the Financial Statements

## For the year ended June 30, 2007

### NOTE 1. STATEMENT OF ACCOUNTING POLICIES (continued)

#### (m) Plant & Equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated on a straight line basis so as to write off the net cost or revalued amount of each item of plant and equipment over its expected useful life to the Company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The depreciation rates used are as follows:

Furniture and office equipment: 10% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date and assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

#### (n) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (o) Employee Benefits

##### Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### Share based payments

The Company provides benefits to employees, including directors, in the form of share-based payment transactions, whereby employees are provided with incentives via grants of options. The cost of these transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity based compensation benefits is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of directors of the Company, will ultimately vest. This opinion is formed based on the best available information. Where options are cancelled or lapsed they are treated as if they had vested.

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 1. STATEMENT OF ACCOUNTING POLICIES (continued)

### (p) Earnings Per Share

#### (i) Basic Earnings Per Share

Basic earnings per share is determined by dividing the loss from ordinary activities after income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

#### (ii) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

### (q) Financial Instruments

#### Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Income Statement.

### (r) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flow.

# Notes to the Financial Statements

## For the year ended June 30, 2007

### NOTE 1. STATEMENT OF ACCOUNTING POLICIES (continued)

(t) **New Accounting Standards and UIG Interpretations**

Australian Accounting Standards that have recently been issued or amended but are not yet effected have not been adopted for the annual reporting period ended 30 June 2007. There are no anticipated changes to Traka Resources Limited's accounting policies in future periods as a result of these changes. Below is a summary of recently amended or issued Accounting Standards relevant to Traka Resources Limited.

(u) **Critical accounting estimates and judgements**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

*Key Estimates — Impairment*

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.



# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 1. STATEMENT OF ACCOUNTING POLICIES (continued)

### Australian Accounting Standards issued but not yet effective

The following Australian Accounting Standards have been issued and or amended and are applicable to Traka Resources Limited but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date.

Reference	Affected Standard	Nature of change to accounting policy and impact on accounts	Application date *
UIG Interpretation 10	AASB 134 Interim Financial Reporting and AASB 136 Impairment of Assets	Restricts the reversal of impairments between interim and final reporting periods. - no impact on initial application	1 Nov 2006
AASB 2005-10	Amendments to AASB 132, 101, 114, 117, 133, 139, 1, 4, 1023 and 1038	No change to accounting policy required and no impact on accounts	1 Jan 2007
New Standard	AASB 7 Financial Instruments: Disclosures	No change to accounting policy required and no impact on accounts	1 Jan 2007
New Standard	AASB 101(revised) Presentation of Financial Statements	No change to accounting policy required and no impact on accounts	1 Jan 2007
AASB Interpretation 11 (issued Feb 2007)	AASB 2 – Group and Treasury Share Transactions	No impact because at the reporting date the entity has not issued any equity instruments to employees of subsidiaries	1Mar 2007
AASB 2007-4 (issued Apr 2007)	Amendments arising from ED 151 and Other Amendments to AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038	Most changes relate to certain Australian-specific disclosures not being required. The entity does not intend to adopt any reinstated options for accounting treatment when the standard is adopted. As such, there will be no future financial impacts.	1Mar 2007

\* Application date is for the annual reporting periods beginning on or after the date shown in the above table.

# Notes to the Financial Statements

For the year ended June 30, 2007

	2007	2006
	\$	\$
<b>NOTE 2. REVENUE</b>		
<b>Revenue from continuing operations</b>		
<i>Other revenue</i>		
Compensation for release from mineral rights option expenditure	-	120,000
Management fees	-	99,429
Interest received – other corporations	<b>83,094</b>	33,705
Sundry income	-	419
Revenue from ordinary activities	<b>83,094</b>	253,553

## NOTE 3. EXPENSES

Loss before income tax includes the following specific expenses:

Depreciation - Plant & equipment	<b>16,191</b>	16,182
Exploration and evaluation expenditure written off	<b>33,963</b>	822,520
Rental expense relating to operating leases	<b>33,446</b>	55,445
Employee benefits expense	<b>361,909</b>	151,662

## NOTE 4. INCOME TAX

(a) Income tax expense	-	-
(b) Loss from continuing operations before income tax	<b>(588,458)</b>	(1006,382)
Tax at the Australian tax rate of 30%	<b>(176,537)</b>	(301,915)
Tax effect of amounts that are not tax deductible (taxable) in calculating taxable income:		
Employee share scheme	<b>52,884</b>	9,570
Deferred tax assets relating to tax losses and temporary differences not recognised	<b>123,653</b>	292,345
Income tax expense	-	-

The franking account balance at year end was nil. (30 June 2005: nil)

(c) Deferred tax assets and liabilities not recognised relate to the following:

### Deferred tax assets

Tax losses	<b>1,370,320</b>	1,224,526
Other temporary differences	<b>34,153</b>	62,322

### Deferred tax liabilities

Other temporary differences	-	-
Net deferred tax assets	<b>1,404,473</b>	1,286,848

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

# Notes to the Financial Statements

For the year ended June 30, 2007

	2007	2006
	\$	\$
<b>NOTE 5. CASH FLOW STATEMENT</b>		
Reconciliation of operating loss after income tax to net cash used in operating activities:		
Operating loss after income tax	(588,458)	(1,006,382)
Depreciation	16,191	16,182
Non-cash employee benefit expense	176,280	31,900
Payments for purchase of exploration properties written off	-	86,364
(Increase)/decrease in receivables	147,986	(141,833)
(Decrease)/increase in payables and provisions	1,326	(248,389)
Net cash outflow from operating activities	<b>(246,675)</b>	<b>(1,262,158)</b>

## NOTE 6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,861,566	46,889
Deposits at call	225,000	300,000
	<b>2,086,566</b>	<b>346,889</b>

## NOTE 7. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

Trade debtors	15,093	172,321
Other debtors	15,993	4,591
	<b>31,086</b>	<b>176,912</b>

## NOTE 8. NON-CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT

Plant & equipment at cost	74,701	58,934
Accumulated depreciation	(51,971)	(35,780)
	<b>22,730</b>	<b>23,154</b>

### Reconciliations

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below.

### Office Equipment

Carrying amount at 1 July	23,154	33,903
Additions	15,767	5,433
Depreciation expense	(16,191)	(16,182)
Carrying amount at 30 June	<b>22,730</b>	<b>23,154</b>

# Notes to the Financial Statements

For the year ended June 30, 2007

	2007	2006
	\$	\$
<b>NOTE 9. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION COSTS CARRIED FORWARD</b>		
Balance at the beginning of the financial year	-	-
Exploration and evaluation costs incurred during the financial year	<b>33,963</b>	822,520
Exploration and evaluation costs expensed during the financial year	<b>(33,963)</b>	(822,520)
Balance at 30 June 2007	-	-

## NOTE 10. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Trade creditors	<b>13,206</b>	18,808
Other creditors	<b>8,483</b>	385
Accrued expenses	<b>11,321</b>	8,901
	<b>33,010</b>	28,094

## NOTE 11. CURRENT LIABILITIES – BORROWINGS

Unsecured Credit card debt	-	2,192
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## NOTE 12. CURRENT LIABILITIES – PROVISIONS

Employee entitlements	<b>10,076</b>	9,314
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The Company had two employees at the end of the financial year (2006:2)

## NOTE 13. EQUITY – CONTRIBUTED EQUITY

### (a) Share capital

Fully paid ordinary shares –44,782,202 (2006: 33,586,652)	<b>6,421,879</b>	4,419,760
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### (b) Movements in ordinary share capital:

Date	Details	Number of Shares	Issue Price \$	\$
01/07/05	Balance	31,700,000		4,136,762
10/11/05	Share issue pursuant to share purchase plan	1,886,652	0.15	282,998
30/06/06	Balance	33,586,652		4,419,760
12/12/06	Pro-rata non-renounceable issue of ordinary shares on 1 for 3 basis	11,195,550	0.18	2,015,199
30/06/07	Capital raising expense			(13,080)
30/06/07	Balance	44,782,202		6,421,879

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 13. EQUITY – CONTRIBUTED EQUITY (Continued)

### (c) Share Options

No. of Ordinary Shares Subject to Option	Expiry Date	Exercise Price
2,000,000	10 October 2008	35 cents
50,000	31 December 2009	20 cents
1,000,000	29 November 2010	20 cents
1,000,000	28 December 2011	20 cents
200,000	6 April 2012	25 cents

### (d) Movements in the number of options

Date	Details	No. of Options	Exercise Price
01/07/05	Balance	2,050,000	-
29/11/05	Options issued	1,000,000	20 cents
30/06/06	Balance	3,050,000	-
28/12/06	Options issued	1,000,000	20 cents
06/04/07	Options issued	200,000	25 cents
30/06/07	Balance	4,250,000	-

### (e) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares being held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

	2007	2006
	\$	\$
<b>NOTE 14. EQUITY – RESERVES</b>		
Share based payments reserve	<b>212,680</b>	36,400

### Movements

Date	Details	\$
01/07/05	Balance	4,500
29/11/05	Options issued	31,900
30/06/06	Balance	36,400
28/12/06	Options issued	133,000
06/04/07	Options issued	43,280
30/06/07	Balance	212,680

### Nature and purpose of reserves

The share-based payments reserve is used to recognise the fair value of options issued.

# Notes to the Financial Statements

## For the year ended June 30, 2007

	2007	2006
	\$	\$
<b>NOTE 15. EQUITY – ACCUMULATED LOSSES</b>		
Accumulated losses at the beginning of the financial year	(3,948,805)	(2,942,423)
Net loss	(588,458)	(1,006,382)
Accumulated losses at the end of the financial year	(4,537,263)	(3,948,805)

### NOTE 16. FINANCIAL INSTRUMENTS

(a) Interest rate risk exposures

The Company is exposed to movements in market interest rates on short-term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and interest rate return.

The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the company intends to hold fixed rate assets and liabilities to maturity.

2007

	Floating interest rate \$	Fixed interest maturing in			Non-Interest bearing \$	Total \$
		1 year or less \$	over 1 year less than 5 \$	more than 5 years \$		
<b>Financial Assets</b>						
Cash and cash equivalents	1,861,366	225,000	-	-	200	2,086,566
Receivables	-	-	-	-	31,086	31,086
	1,861,366	225,000	-	-	31,286	2,117,652
Weighted average interest rate	6.40%	5.44%	-	-	-	-
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	33,010	33,010
	-	-	-	-	33,010	33,010
Weighted average interest rate	-	-	-	-	-	-
<b>Net financial assets (liabilities)</b>	1,861,366	225,000	-	-	(1,724)	2,084,642

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 16. FINANCIAL INSTRUMENTS (continued)

2006	Fixed interest maturing in					Total \$
	Floating interest rate \$	1 year or less \$	over 1 year less than 5 \$	more than 5 years \$	Non-Interest bearing \$	
<b>Financial Assets</b>						
Cash and cash equivalents	46,689	300,000	-	-	200	346,889
Receivables	-	-	-	-	176,912	176,912
	46,689	300,000	-	-	177,112	523,801
Weighted average interest rate	2.8%	5.4%	-	-	-	-
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	28,094	28,094
Borrowings	2,192	-	-	-	-	2,192
	2,192	-	-	-	28,094	30,286
Weighted average interest rate	16.75%	-	-	-	-	-
<b>Net financial assets (liabilities)</b>	44,497	300,000	-	-	149,018	493,515

- (b) **Financial assets**  
Other receivables are carried at nominal amounts due. Interest is taken up as income on an accruals basis.
- (c) **Financial liabilities**  
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity.
- (d) **Credit risk exposures**  
The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into.
- (e) **Net fair value of Financial Assets and Liabilities**  
The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

## NOTE 17. RELATED PARTY TRANSACTIONS

Directors of Traka Resources Limited during the financial year were:

Neil Tomkinson  
Patrick Verbeek  
George Petersons  
Joshua Pitt

Disclosures relating to directors and key management personnel are set out in the Directors' Report and in Note 18.



# Notes to the Financial Statements

## For the year ended June 30, 2007

### Other related party transactions

During the financial year Traka entered an agreement with Red Hill Iron Ltd ("Red Hill"), a company of which Mr Pitt is a director, whereby Red Hill agreed to rent office space from Traka on normal commercial terms and conditions. Amounts received from Red Hill totalled \$56,974.

There are no other related party transactions other than those relating to directors' remuneration

### NOTE 18. KEY MANAGEMENT PERSONNEL DISCLOSURES

#### (a) Directors

The following persons were directors of Traka Resources Limited during the whole of the financial year:

#### Non-executive Chairman

Neil Tomkinson

#### Managing Director

Patrick Verbeek

#### Non-executive Directors

George Petersons  
Joshua Pitt

#### (b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

#### Company Secretary

Desmond Kelly (to 13 September 2006)  
Peter Rutledge (from 13 September 2006)

#### (c) Key Management Personnel Compensation

	2007	2006
	\$	\$
Short term employee benefits	<b>299,010</b>	282,998
Post employment benefits	<b>5,400</b>	5,400
Share based payments	<b>133,000</b>	31,900
	<b>437,410</b>	320,298

The Company has taken advantage of the relief provided by Corporations Regulation 2M.06.04 and has transferred the detailed remuneration disclosures to the Directors' Report.

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

### (d) Equity Instrument Disclosures Relating to Key Management Personnel

*Options provided as remuneration and shares issued on exercise of such options*

Details of options provided as remuneration and shares issued on the exercise of such options, together with the terms and conditions of the options, can be found in the directors' report.

*Option holdings*

#### 2007

Name	Balance at the beginning of the year	Granted during year as compensation	Exercised during year	Balance at the end of the year	Vested and exercisable at the end of the year
<b>Directors</b>					
N Tomkinson	-	-	-	-	-
P Verbeek	3,000,000	1,000,000	-	4,000,000	4,000,000
J Pitt	-	-	-	-	-
G Petersons	-	-	-	-	-
<b>Other Key Management Personnel</b>					
P C Rutledge	-	-	-	-	-

#### 2006

Name	Balance at the beginning of the year	Granted during year as compensation	Exercised during year	Balance at the end of the year	Vested and exercisable at the end of the year
<b>Directors</b>					
N Tomkinson	-	-	-	-	-
P Verbeek	2,000,000	1,000,000	-	3,000,000	3,000,000
J Pitt	-	-	-	-	-
G Petersons	-	-	-	-	-
<b>Other Key Management Personnel</b>					
D J Kelly	-	-	-	-	-

# Notes to the Financial Statements

## For the year ended June 30, 2007

### NOTE 18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

#### Share holdings

The numbers of shares in the Company held during the financial year by each director and other key management personnel, including those held by their personally related entities, are set out below. There were no shares granted during the reporting period as compensation.

#### 2007

Name	Balance at the beginning of the year	Acquired during year	Disposed during year	Balance at the end of the year
<b>Directors</b>				
N Tomkinson	2,328,333	1,437,966	-	3,766,299
P Verbeek	1,916,666	-	-	1,916,666
J Pitt	2,886,193	1,843,439	-	4,729,632
G Petersons	1,750,000	-	-	1,750,000
<b>Other Key Management Personnel</b>				
P Rutledge	100,000	35,000	-	135,000

#### 2006

Name	Balance at the beginning of the year	Acquired during year	Disposed during year	Balance at the end of the year
<b>Directors</b>				
N Tomkinson	2,280,000	48,333	-	2,328,333
P Verbeek	1,850,000	66,666	-	1,916,666
J Pitt	2,150,000	736,193	-	2,886,193
G Petersons	1,750,000	-	-	1,750,000
<b>Other Key Management Personnel</b>				
D J Kelly	700,000	33,333	-	733,333

#### (e) Loans to Key Management Personnel

There are no loans made to directors or other key management personnel of Traka Resources Limited or the consolidated.

#### (f) Other Transactions with Key Management Personnel

There are no other transactions with key management personnel other than disclosed in Note 17.

# Notes to the Financial Statements

For the year ended June 30, 2007

	2007	2006
	\$	\$
<b>NOTE 19. AUDITOR'S REMUNERATION</b>		
Audit Services		
Fees paid to BDO Kendalls Audit & Assurance (WA) Pty Ltd		
Amounts received, or due and receivable by the auditors for:		
- Auditing the financial reports of the company	14,303	12,560
Taxation Services		
Fees paid to BDO Kendalls Audit & Assurance (WA) Pty Ltd		
Amounts received, or due and receivable by the auditors for:		
- Tax compliance services including preparation of Company income tax returns	8,700	7,700
Total remuneration	<b>23,003</b>	20,260

## NOTE 20. EVENTS OCCURRING AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which have significantly affected, or may affect the operations of the entity, the results of those operations, or the state of affairs of the entity in financial years subsequent to the financial year ended 30 June 2007.

## NOTE 21. SEGMENT INFORMATION

Traka Resources Limited operates in the mineral exploration industry only within Australia which is a single geographic segment.

## NOTE 22. COMMITMENTS FOR EXPENDITURE

	2007	2006
	\$	\$
<b>Lease Commitments</b>		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Not later than one year	45,687	46,615
Later than one year but not later than five years	-	42,730
Later than five years	-	-
	<b>45,687</b>	89,345
<b>Representing:</b>		
Minimum lease payments in relation to non-cancellable operating leases	<b>45,687</b>	89,345

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 22. COMMITMENTS FOR EXPENDITURE (continued)

### Exploration Tenements

In order to maintain the mineral tenements in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Industry and Resources for the next financial year is set out below. The amount shown for the current half year is net of the amount expected to be paid by the party farming into the Company's Ravensthorpe Nickel Project.

Minimum estimated expenditure requirements	<b>1,011,894</b>	889,646
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These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

The expenditure commitments may be reduced by separate agreements and undertakings entered into by the entity or they may increase if the entity is successful with further exploration.

### Remuneration Commitment

	<b>2007</b>	2006
	<b>\$</b>	\$
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Not later than one year	<b>200,000</b>	185,000
Later than one year but not later than five years	<b>83,333</b>	77,083
Later than five years	-	-
	<b>283,333</b>	262,083

## NOTE 23. EARNINGS PER SHARE

Basic and diluted loss per share (cents per share)	<b>(1.48)</b>	(3.07)
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	<b>39,738,053</b>	32,692,431
The loss used in the calculation of basic and diluted earnings per share is the loss from ordinary activities before income tax as shown on the Income Statement	<b>(588,458)</b>	(1,006,382)

## NOTE 24. EMPLOYEE BENEFITS

### Employee Benefits and Related On-cost Liabilities

Provision for employee benefits – current (Note 12)	<b>10,076</b>	9,314
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The company employees 2 employees at year end (2006: 2 employees)

# Notes to the Financial Statements

For the year ended June 30, 2007

## NOTE 24. EMPLOYEE BENEFITS (continued)

### Traka Resources Limited Share Option Plan

The Traka Resources Limited Employee Share Option Plan ("ESOP") was adopted by the Company for the purpose of recognising the efforts of, and providing incentive to, employees of the Company. A summary of terms and conditions of the ESOP is set out below:

- Under the ESOP the Company may offer options to subscribe for shares in the Company to eligible persons. Directors and part-time or full-time employees are eligible persons for the purpose of the ESOP.
- The board of directors has discretion to determine who and to what extent an eligible person is entitled to participate in the ESOP.
- Options under the ESOP are to be offered on such terms as the board determines and the offer must set out the number of options offered, the exercise price and the period of the offer. Exercise price is determined by the board with reference to the market value of the shares of the Company at the time of resolving to offer the options. Period of the offer will be no longer than five years.
- No consideration is payable for the options unless the board determines otherwise and the Company will not apply for quotation of the options.
- The options are exercisable in whole or part, and shares will be issued within 10 business days of the receipt of notice of exercise and payment in full of the exercise price.
- If an option holder ceases to be an eligible person prior to the earliest date for exercise of their options for any other reason than retirement at age 60 or over, permanent disability, redundancy or death, the options will automatically lapse. If an option holder ceases to be an eligible person after the earliest date for exercise of their options for any other reason than retirement at age 60 or over, permanent disability, redundancy or death, the options will lapse after three months.

Set out below is a summary of options granted under the plan:

Grant date	Expiry date	Exercise price \$	Balance at the start of year	Granted during year	Exercised during the year	Balance at the end of year
			Number	Number	Number	Number
<b>2007</b>						
6 April 2007	6 April 2012	0.25	-	100,000	-	100,000
28 Dec 2006	28 Dec 2011	0.20	-	1,000,000	-	1,000,000
29 Nov 2005	29 Nov 2010	0.20	1,000,000	-	-	1,000,000
05 Feb 2005	05 Feb 2009	0.20	50,000	-	-	50,000
10 Oct 2003	10 Oct 2008	0.35	2,000,000	-	-	2,000,000
<b>Total Options</b>			3,050,000	1,100,000	-	4,150,000
<b>Weighted average exercise price</b>			0.30	0.20		0.27
<b>2006</b>						
29 Nov 2005	29 Nov 2010	0.20	-	1,000,000	-	1,000,000
05 Feb 2005	31 Dec 2009	0.20	50,000	-	-	50,000
10 Oct 2003	10 Oct 2008	0.35	2,000,000	-	-	2,000,000
<b>Total Options</b>			2,050,000	1,000,000	-	3,050,000
<b>Weighted average exercise price</b>			0.35	0.20	-	0.30

No options expired during the periods covered by the above tables.

Share based payments to directors can be found in the directors' report.

# Notes to the Financial Statements

For the year ended June 30, 2007

The assessed fair value, and hence the cost to the Company, of the options granted during the year ended 30 June 2007 was \$176,280 (2006 \$31,900). The fair value has been calculated as at the date of grant using the Black-Scholes model for the valuation of call options. The assumptions used in arriving at the value of the options issued to key management personnel and other staff are set out below.

	2007	2007	2006
<b>No of options granted</b>	<b>100,000</b>	<b>1,000,000</b>	1,000,000
<b>Grant date</b>	<b>6 April 2007</b>	<b>28 Dec 2006</b>	29 Nov 2005
<b>Exercise by</b>	<b>6 April 2012</b>	<b>28 Dec 2011</b>	29 Nov 2010
<b>Exercise price per share</b>	<b>\$0.25</b>	<b>\$0.20</b>	\$0.20
<b>Expected average life of the options</b>	<b>3 years</b>	<b>3 years</b>	3 years
<b>Share price at grant date</b>	<b>\$0.36</b>	<b>\$0.24</b>	\$0.18
<b>Risk free interest rate</b>	<b>6.09%</b>	<b>6.05%</b>	5.12%
<b>Expected volatility</b>	<b>70%</b>	<b>70%</b>	22.57%

Historical volatility has been the basis for estimating likely future share price volatility. Actual future volatility may differ from the estimate used.

The expected average life of the options granted in the year ended 30 June 2007 was determined to be 3 years, 2 year less than the term, to take account of the fact that the options are not transferable. The actual life of the options could differ from this estimate if the holder of the options chooses to exercise his options prior to their expiry date.

The options were granted for no consideration. There were no vesting conditions on the options and accordingly these options vested immediately.



# Directors' Declaration

## In the directors' opinion:

- (a) the financial statements and notes of the Company and the additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date ; and
  - (iii) The financial report also complies with International Financial Reporting Standards as disclosed in note 1 (a)
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the audited remuneration disclosures set out on pages 21 to 25 of the directors' report comply with Accounting Standards AASB 124 Related Party Disclosures.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.



**NEIL TOMKINSON**

Chairman

Dated the 27th day of September 2007



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAKA RESOURCES LIMITED

We have audited the accompanying financial report of Traka Resources Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Accounting Standard AASB 124 *Related Party Disclosures*, under the heading "Remuneration Report".

### **Directors' Responsibility for the Financial Report and the AASB 124 Remuneration Disclosures Contained in the Directors' Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is to also express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Traka Resources Limited on 27 September 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

**Auditor's Opinion on the Financial Report**

In our opinion the financial report of Traka Resources Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

**Auditor's Opinion on the AASB 124 Remuneration Disclosures Contained in the Directors' Report.**

In our opinion the remuneration disclosures that are contained in the directors' report comply with Accounting Standard AASB 124.

**BDO Kendalls Audit & Assurance (WA) Pty Ltd**

BDO Kendalls  


**Peter Toll**  
Director

Subiaco, Western Australia  
Dated this 27<sup>th</sup> day of September 2007

# ASX Additional Information

## For the year ended June 30, 2007

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set-up below as at 28 September 2007.

### SECURITY HOLDINGS

#### Substantial shareholders

The following substantial shareholders have lodged notices with the Company:

Holders	Ordinary shares	%
Wythenshawe Pty Ltd and Warramboe Holdings Pty Ltd	8,495,931	18.97
Tattersfield Securities	6,632,025	14.81

#### Class of shares and voting rights

There are 412 holders of ordinary shares in the Company.

The voting rights attaching to the ordinary shares, set out in clause 10.20 of the Company's constitution, are:

Subject to any rights for the time being attached to any class or classes of shares at general meetings of Members or classes of Members:

- Each Member entitled to vote may vote in person or by proxy, attorney or representative;
- On a show of hands, every person who is present who is a Member or a proxy, attorney or representative of a Member has one vote; and
- On a poll every person present who is a Member or a proxy, attorney or representative of a Member shall, in respect of each fully paid share held by him, or in respect of which he is appointed proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction shall be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, (excluding amounts credited). In this clause, amounts paid in advance of a call are ignored when calculating a true proportion.

There are options over 4,250,000 unissued ordinary shares. There are no voting rights attached to the unissued ordinary shares when the options have been exercised.

#### Distribution of shareholders

Category	Number of holders	
	Ordinary shares	Options
1 – 1,000	14	0
1,001 – 5,000	31	0
5,001 – 10,000	51	0
10,001 – 100,000	238	3
100,001 +	78	1
	412	4

#### Unmarketable parcels

There are 20 holders holding less than a marketable parcel of ordinary shares.

# ASX Additional Information

## For the year ended June 30, 2007

### Unquoted securities

There are the following unquoted securities on issue:  
4,250,000 options

### Restricted Securities

There are no restricted securities

### Twenty largest security holders

Holder name	Ordinary shares		Options	
	Number	%	Number	%
Tattersfield Securities	6,632,025	14.81		
Wythenshawe Pty Ltd	4,729,632	10.56		
Warramboe Holdings Pty Ltd	3,766,299	8.41		
George Juris Petersons	1,750,000	3.91		
Malahang Pty Ltd	1,595,833	3.56	3,000,000	70.59
Mr Graham Douglas Riley & Mrs Anne Marie Riley <The Riley Super Fund A/C>	750,000	1.67		
Yandal Investments Pty Ltd	650,000	1.45		
Nalmor Pty Ltd <J Chappell Super Fund A/C>	636,666	1.42		
Leecorp Pty Ltd	595,000	1.33		
Second Naremi Pty Ltd	450,000	1.00		
Mr Terrence Peter Williamson + Ms Jonine Maree Jancey <The Wiljan Super Fund Account>	400,000	.89		
Malahang Pty Ltd<Patrick Verbeek Super Fund Account>	320,833	.72		
Mr Donald George Maloney	350,000	.78		
Julian Francis Gordon Phillips <JFG Phillips Family Account>	300,000	.67		
Lastrane Pty Ltd	300,000	.67		
Evalon Investments Pty Ltd	281,000	.63		
Mrs Karen Elizabeth Carpenter	266,666	.60		
Nattim Pty Ltd <Nattim Investment Account>	266,666	.60		
ANZ Nominees Limited, <Cash Income A/C>	266,462	.60		
Mr Gerald Francis Pauley + Mr Michael James Pauley <Pauley Super Fund Account>	242,000	.54		
Patrick Verbeek			1,000,000	23.53
	24,549,082	54.82	4,000,000	94.12

### Other information

Traka Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

# Notes

# Notes





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