



Traka Resources Limited

ABN: 63 103 323 173

15 February 2021

Market Announcements

ASX Limited

Level 4, 20 Bridge Street

SYDNEY NSW 2000

Dear Sir / Madam

Interim Financial Report for the half year ended 31 December 2020

Attached is the Traka Resources Limited Interim Financial Report for the half year ended 31 December 2020.

Yours faithfully

Peter Rutledge

Company Secretary

TRAKA RESOURCES LIMITED
ABN 63 103 323 173
INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Traka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

TRAKA RESOURCES LIMITED

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

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TRAKA RESOURCES LIMITED

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Your Directors present their report on Traka Resources Limited (Traka or the Company) for the half year ended 31 December 2020.

DIRECTORS

The following persons were directors of the Company during the half year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Joshua Pitt	Chairman - Non executive
Patrick Verbeek	Managing Director
George Petersons	Director - Non executive

Mr Neil Tomkinson was a director of the Company until 30 October 2020.

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

On 22 July 2020 Traka agreed with Galaxy Resources Limited (Galaxy) to exchange the Company's 20% Free Carried lithium interests in the Mt Cattlin North Joint Venture for 100% of the gold and other mineral potential. The original joint venture with Galaxy has been dissolved, but the new agreement enables development of any discovery, whether of gold and other minerals by Traka or of lithium by Galaxy, under cooperative terms.

Following the new agreement with Galaxy, Traka completed a capital raising initially by way of Placement to RM Corporate followed by an entitlement issue to shareholders. The Placement raised \$1,321,528 before costs and the Entitlement \$914,653 before costs. An exploration program of work, initially comprising geophysics but now progressing to drilling, commenced on the Mt Cattlin Gold Project within a few months of the capital raising.

The Mt Cattlin Gold Project has a long history of gold mining and exploration. After decades of inactivity this now represents an excellent advanced gold project. What was originally turn-of-the-century prospector-scale activity on 18 separate mines has, with modern day exploration and improved gold prices, become a rare opportunity for substantial up-scale. There are kilometre-long mineralised shear zones and quartz-veined intrusives with high grade gold shoots and numerous drillhole intersections that present targets for immediate follow-up.

Traka's planned activity on its other main exploration project, Gorge Creek, which is prospective for copper, cobalt, lead and zinc, was prevented by COVID-19 travel restrictions. New programs are now planned for possible recommencement after the wet season.

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (continued)

In addition to exploration on existing projects, Traka maintains an active project generation effort to secure new opportunities and to attract additional venture capital. Improved commodity prices and market conditions have greatly improved the prospects of the Company and the resource industry in general. An active program of exploration work on two good projects is expected to enable the Company to maintain a higher level of activity than was possible last year.

EVENTS OCCURRING AFTER BALANCE DATE

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required items of section 307C of the Corporations Act 2001 is set out in this Interim Financial Report.

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



JOSHUA PITT
Chairman

Perth, 15 February 2021

TRAKA RESOURCES LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	31 December 2020 \$	31 December 2019 \$
Revenue from continuing operations	2	2,286	2,026
Other income	2	13,208	250,000
Exploration and evaluation expenses		(411,419)	(558,965)
Administration expenses	3	(181,867)	(285,714)
Loss before income tax		(577,792)	(592,653)
Income tax expense		-	-
Loss for the half year		(577,792)	(592,653)
Other comprehensive income for the half year		-	-
Total comprehensive loss for the half year attributable to ordinary equity holders of the Company		(577,792)	(592,653)
		Cents	Cents
Basic and diluted loss per share attributable to the ordinary equity holders of the Company		(0.12)	(0.15)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	31 December 2020 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents		1,704,112	120,010
Trade and other receivables		35,615	19,979
Total current assets		1,739,727	139,989
Non-current assets			
Property, plant and equipment		2,968	4,928
Total non-current assets		2,968	4,928
Total assets		1,742,695	144,917
Current liabilities			
Trade and other payables		84,738	40,123
Provisions		11,200	11,522
Total current liabilities		95,938	51,645
Non-current liabilities			
Provisions		2,667	2,652
Total non-current liabilities		2,667	2,652
Total liabilities		98,605	54,297
Net assets		1,644,090	90,620
Equity			
Issued capital	4	20,279,056	18,147,794
Reserves		856,568	856,568
Accumulated losses		(19,491,534)	(18,913,742)
Total equity		1,644,090	90,620

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Contributed Equity	Share Based Payments Reserve	Exercised Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
2020					
As at 1 July 2020	18,147,794	738,415	118,153	(18,913,742)	90,620
Loss for the half year	-	-	-	(577,792)	(577,792)
Total comprehensive loss for the half year	-	-	-	(577,792)	(577,792)
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares	2,236,181	-	-	-	2,236,181
Exercise of share options	3,500	(1,906)	1,906	-	3,500
Transaction costs of share issues	(108,419)	-	-	-	(108,419)
As at 31 December 2020	20,279,056	736,509	120,059	(19,491,534)	1,644,090
2019					
As at 1 July 2019	17,793,396	729,955	118,153	(18,051,084)	590,420
Loss for the half year	-	-	-	(592,653)	(592,653)
Total comprehensive loss for the half year	-	-	-	(592,653)	(592,653)
Transactions with equity holders in their capacity as equity holders:					
Issue of ordinary fully paid shares	360,000	-	-	-	360,000
Share based payments	-	8,460	-	-	8,460
Transaction costs of share issues	(5,269)	-	-	-	(5,269)
As at 31 December 2019	18,148,127	738,415	118,153	(18,643,737)	360,958

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

TRAKA RESOURCES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Interest receipts	1,853	2,626
Payments to suppliers and employees	(201,570)	(275,798)
Payments for exploration activities	(367,687)	(488,023)
Other receipts	21,222	-
Net cash outflows from operating activities	(546,182)	(761,195)
Cash flows from investing activities		
Payments for plant and equipment	(2,900)	-
Proceeds from disposal of tenements	-	250,000
Net cash (outflows)/inflows from investing activities	(2,900)	250,000
Cash flows from financing activities		
Proceeds from share issues	2,239,681	-
Payment for share issue costs	(106,497)	(5,269)
Net cash inflows/(outflows) from financing activities	2,133,184	(5,269)
Net increase/(decrease) in cash and cash equivalents held	1,584,102	(516,464)
Cash and cash equivalents at the beginning of the half year	120,010	902,809
Cash and cash equivalents at the end of the half year	1,704,112	386,345

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1 SEGMENT INFORMATION

The Directors of Traka, who, collectively as the Board, are the chief operating decision makers, have determined that the Company has one reportable operating segment, being mineral exploration within Australia. The Board monitors the Company based on actual versus budgeted exploration expenditure. This internal reporting framework is the most relevant to assist the Board to make decisions regarding its ongoing exploration activities.

	31 December 2020	30 June 2020
	\$	\$
Reportable segment assets	2,968	4,928
Reconciliation of reportable segment assets:		
Reportable segment assets	2,968	4,928
Unallocated corporate assets	1,739,727	139,989
Total assets	1,742,695	144,917
Reportable segment liabilities	45,761	693
Reconciliation of reportable segment liabilities:		
Reportable segment liabilities	45,761	693
Unallocated corporate liabilities	52,844	53,604
Total liabilities	98,605	54,297
Reportable segment loss	(411,419)	(558,965)
Reconciliation of reportable segment loss:		
Reportable segment loss	(411,419)	(558,965)
Unallocated corporate income	15,494	252,026
Unallocated corporate expenses	(181,867)	(285,714)
Loss before income tax	(577,792)	(592,653)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	31 December 2020 \$	31 December 2019 \$
NOTE 2 REVENUE		
Revenue from continuing operations		
Interest received	2,286	2,026
Other income		
Proceeds from disposal of tenements	-	250,000
Government grant – cash flow boost	13,208	-
	15,494	250,000

NOTE 3 ADMINISTRATION EXPENSES

Loss before income tax includes the following administration expenses:

Personnel expenses:

Salaries, directors' fees and management fees	186,674	256,415
Superannuation	7,704	11,082
Share based payments	-	8,460
less disclosed as exploration expenditure	(128,478)	(110,758)
	65,900	165,199

Depreciation	4,861	2,270
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Other expenses:

Rent and rates	19,129	24,716
Company secretarial and accounting	31,686	31,686
Audit and tax	10,938	10,288
Communications	22,259	14,696
Listing fees	7,624	16,524
Other	19,473	20,335
	181,867	285,714

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 4 ISSUED CAPITAL

	31 December 2020 No of Shares	31 December 2019 No of Shares	31 December 2020 \$	31 December 2019 \$
a) Ordinary shares – fully paid				
At 1 July	400,462,959	370,462,959	18,147,794	17,793,396
Issue of shares	105,802,109	30,000,000	2,236,181	360,000
Exercise of options	200,000	-	3,500	-
Less cost of share issues	-	-	(108,419)	(5,269)
At 31 December	506,465,068	400,462,959	20,279,056	18,148,127

b) Options to acquire ordinary shares

Set out below is a summary of unlisted options to acquire ordinary shares in the Company, issued in terms of the Company's Employee Share Option Plan:

			31 December 2020 No of options	30 June 2020 No of options
Type of options	Expiry date	Exercise price		
Director options	28 Nov 2022	1.03 cents	2,000,000	2,000,000
Staff options	4 Apr 2022	1.75 cents	650,000	850,000
Director options	16 Nov 2021	4.67 cents	2,000,000	2,000,000
Staff options	8 Jan 2021 *	7.40 cents	650,000	650,000
			5,300,000	5,500,000

* 650,000 staff options expired on 8 January 2021.

Refer to the Company's 30 June 2020 financial report for more details on options issued.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5 SHARE BASED PAYMENTS

The Company from time to time issues options to the Managing Director and other staff members as an incentive. Refer to the 30 June 2020 financial report for further details.

During the current half year, 200,000 staff options were exercised, and no further options expired or were issued.

NOTE 6 COMMITMENTS FOR EXPENDITURE

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. This represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined. Since the last reporting date, there has been no material change in these commitments.

NOTE 7 RELATED PARTIES

Arrangements with related parties as set out in the 30 June 2020 financial statements continue to be in place.

NOTE 8 CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities as at 31 December 2020.

NOTE 9 EVENTS OCCURRING AFTER BALANCE DATE

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

NOTE 10 FINANCIAL INSTRUMENTS

The Company has a number of financial instruments which are not measured at fair value on a recurring basis in the statement of financial position. The directors consider that the carrying value of these financial instruments are a reasonable approximation of their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 11 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Traka is a public company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange (ASX).

Statement of compliance and basis of preparation

The half year financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *“Interim Financial Reporting”* and other mandatory professional reporting requirements. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *“Interim Financial Reporting”*.

The half year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements.

The half year financial statements should be read in conjunction with the annual financial statements of Traka as at 30 June 2020 and considered together with any public announcements made by Traka during the half year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The half year financial statements have been prepared on the accruals basis and are based on historical cost.

For the purpose of preparing the half year financial statements, the half year has been treated as a discrete reporting period.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements 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.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Company's financial statements for the year ended 30 June 2020 and corresponding interim reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 11 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting standards and interpretations adopted

New accounting standards and interpretations adopted 31 December 2020

In the half year ended 31 December 2020, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half year reporting periods beginning on or after 1 July 2020.

As a result of this review, the Directors have determined that there is no material impact on the Company of any new and revised Standard and Interpretations and therefore no material change is necessary to accounting policies.

New accounting standards and interpretations in issue, not yet adopted

The Directors have also reviewed all the new and revised Standards and Interpretations in issue, not yet adopted, that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2021.

As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations in issue, not yet effective, on the Company and therefore no material change is necessary to accounting policies.

**DIRECTORS' DECLARATION
FOR HALF YEAR ENDED 31 DECEMBER 2020**

1. In the opinion of the Directors of the Company:

- a) the accompanying financial statements and notes, as set out on this Interim Financial Report, are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory reporting requirements; and
 - (ii) give a true and fair view of the Company's financial position as at 31 December 2020 and of the performance for the half year then ended.
- 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
- c) the Interim Financial Report is in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.



JOSHUA PITT

Chairman

Perth, 15 February 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Traka Resources Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 February 2021



D I Buckley
Partner

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Traka Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Traka Resources Limited ("the company"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Traka Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Traka Resources Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2020 and its

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performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 February 2021



D I Buckley
Partner