



Traka Resources Limited

ABN: 63 103 323 173

29 October 2021

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Notice of Annual General Meeting

The notice of meeting for the Annual General Meeting of Traka Resources Limited, to be held on Tuesday 30 November 2021, is attached.

By authority of the board.

Peter Rutledge

Company Secretary

TRAKA RESOURCES LIMITED

ACN 103 323 173

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (WST)

DATE: Tuesday 30 November 2021

PLACE: Country Women's Association of WA
Level 2, 1176 Hay Street, West Perth,
Western Australia 6005

This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary (+61 8) 9322 1655.

CONTENTS PAGE

Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	14
Proxy Form	Enclosed

IMPORTANT INFORMATION

COVID-19

The Company is following the health advice of the Australian and West Australian Governments. Shareholders are encouraged to monitor the Company's ASX announcements and website for any updates in relation to arrangements for the Meeting.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 28 November 2021.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

If you do not wish, or are unable, to attend the Meeting, you may appoint a proxy to attend and vote on your behalf. A body corporate may also appoint a proxy. A proxy need not be a Shareholder.

To vote by proxy, please complete and sign the enclosed Proxy Form and return (with any power of attorney or other authority pursuant to which the proxy has been signed) by any of the following means:

- Hand delivery: Registered Office of Traka Resources,
Ground Floor, 43 Ventnor Avenue, West Perth WA 6005
- By mail: Traka Resources Limited
PO Box 601, West Perth, WA 6872
- By fax: +61 8 9322 9144
- By email: traka@trakaresources.com.au

Proxy Forms must be received by no later than 48 hours before the Meeting, being 10.00am (WST) on 28 November 2021.

You are entitled to appoint up to 2 proxies to attend the meeting and vote on your behalf and may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not specify the proportion or number of votes that each proxy is entitled to exercise, each proxy may exercise half of the votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.

VOTING BY POLL

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

Shareholders who wish to vote by appointing a proxy are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions are set out in the Proxy Form attached to the Notice of Meeting.

VOTING EXCLUSIONS

In accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast on certain resolutions by certain persons who are prohibited from voting on those resolutions. Details of any voting exclusions applicable to a specific resolution are set out in this Notice.

CORPORATE REPRESENTATIVES

Shareholders who are a body corporate may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority must be sent to the Company and/or registry in advance of the Meeting.

An appointment of corporate representative form is available from the website of the Company's share registry (www.computershare.com.au).

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Traka Resources Limited will be held at Country Women's Association of WA, Level 2, 1176 Hay Street, West Perth, Western Australia on Tuesday 30 November 2021 at 10.00am (WST).

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or
- (b) the voter is the Chair and the appointment of the Chair as a proxy does not specify the way the proxy is to vote on this resolution and expressly authorises the Chair to exercise the proxy even if this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR JOSHUA PITT

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Joshua Pitt, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 71,428,571 Shares to institutional, sophisticated and professional investors on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person that participated in the issue or any of their associates. However, the Company will not disregard a vote if it is cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

4. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue Equity Securities provided for under Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

5. RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO THE MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and Listing Rule 10.11 of the Listing Rules of the ASX and for all other purposes, Shareholders approve and authorise the issue at no cost of 2,000,000 options to the Managing Director, Mr Patrick Verbeek (or his permitted nominee), to acquire fully paid ordinary shares in the capital of Traka Resources Limited on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Verbeek and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of Mr Verbeek and those other persons. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

DATED: 11 OCTOBER 2021

BY ORDER OF THE BOARD

**PETER RUTTLEDGE
COMPANY SECRETARY
TRAKA RESOURCES LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Country Women's Association of WA, Level 2, 1176 Hay Street, West Perth, Western Australia on Tuesday 30 November 2021 commencing at 10.00am (WST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting. It should be read in conjunction with the Notice of Meeting.

For those Shareholders who have not elected to receive a hard copy of the Annual Report, it can be accessed on the Company's website at www.trakaresources.com.au.

FINANCIAL STATEMENTS AND REPORTS

The annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report are presented for consideration at the Meeting.

The Chair will allow a reasonable time for shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit, and the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit. There is no requirement for shareholders to approve these reports.

1.0 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2021. A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

1.2 Voting consequences

Under the Corporations Act if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report, then a further resolution (**Spill Resolution**) may be required to be considered at the second annual general meeting as to whether a further meeting be convened to put certain Directors to re-election. The Directors to be put to re-election are those Directors, other than the Managing Director, who were Directors when the resolution to make the directors report was passed.

1.3 Previous voting results

At the Company's previous annual general meeting more than 25% of the votes cast on the remuneration report resolution voted against adoption of the remuneration report. This was the second consecutive annual general meeting at which this had occurred. Consequently, a Spill Resolution was put to the meeting and this was passed. Accordingly, a further meeting was convened within 90 days (**Spill Meeting**) to put certain directors to re-election. These directors were re-elected at the spill meeting.

2.0 RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR JOSHUA PITT

2.1 General

Clause 14.2 of the Constitution requires that, at the Company's annual general meeting in every year, one-third of the Directors for the time being shall retire from office, provided always that no Director, other than alternate directors and the Managing Director, shall hold office for a period in excess of 3 years, or until the third annual general meeting following his appointment, whichever is the longer, without submitting himself for re-election.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election. Accordingly, Mr Joshua Pitt, who was last re-appointed by Shareholders at the Annual General Meeting held on 29 November 2019, retires in accordance with the Constitution and, being eligible for re-election, offers himself for re-election at the Annual General Meeting.

2.2 Qualifications and other material directorships

Mr Pitt has been a Director of the Company since 8 January 2003.

Details of the qualifications and material directorships of Mr Pitt are set out in the 2021 Annual Report for the Company.

2.3 Independence

Mr Pitt is not independent in terms of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition on account of his being associated with a substantial shareholder of the Company.

2.4 Board recommendation

The Board supports the election of Mr Pitt and recommends that Shareholders vote in favour of Resolution 2.

3.0 RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

3.1 Background

As announced to the ASX on 5 July 2021, the Company issued, on 9 July 2021, 71,428,571 Shares at an issue price of \$0.014 per share (**Placement Shares**) to raise a total of \$1,000,000 (before costs) (**Placement**). The Shares were issued to institutional, sophisticated and professional investors under the Company's placement capacity afforded under ASX Listing Rule 7.1.

3.2 ASX Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 provides that a company may, without shareholder approval, issue or agree to issue that number of Equity Securities that total up to 15% of the number of fully paid, ordinary securities on issue 12 months before the issue or agreement to issue plus the number of fully paid, ordinary securities issued by the company in that 12 month period with shareholder approval or under an exception to ASX Listing Rule 7.1.

The issue of the Placement Shares does not fit within any of the exceptions to ASX Listing Rule 7.1 and has reduced the Company's 15% placement capacity under ASX Listing Rule 7.1 for a period of 12 months from the issue date of those Placement Shares.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities that has reduced the listed company's 15% placement capacity under ASX Listing Rule 7.1. If Shareholders approve the issue under ASX Listing Rule 7.4, the issue is taken to have been approved under ASX Listing Rule 7.1 and ceases to reduce the Company's 15% placement capacity under that rule.

To this end, Resolution 3 seeks Shareholder approval under ASX Listing Rule 7.4 for the 71,428,571 Placement Shares issued under the Company's 15% placement capacity.

If Resolution 3 is passed, the Placement Shares will no longer reduce the Company's 15% placement capacity under ASX Listing Rule 7.1. In addition, the Placement Shares will be counted in Variable A under ASX Listing Rule 7.1, which is the base number of Shares on which the 15% and 10% placement capacities under ASX Listing Rules 7.1 and 7.1A, are based. This will effectively increase the number of Equity Securities that can be issued without Shareholder approval under the 15% and 10% placement capacities under those rules.

If Resolution 3 is not passed, the Placement Shares will continue to reduce the Company's 15% limit in ASX Listing Rule 7.1 until 12 months after the issue date of those Placement Shares unless subsequently approved by Shareholders before that date. In addition, the Placement Shares will not be counted in Variable A until 12 months after their issue date unless subsequently approved by Shareholders before that date.

3.3 Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4 and the following information is included in this Explanatory Statement for this purpose:

- (a) the Shares were issued to institutional, sophisticated and professional investors the majority of whom were introduced by 180Markets. None of the subscribers were related parties of the Company or their associates, and no members of the Key Management Personnel, Substantial Holders, advisors to the Company or their associates were individually issued Shares totalling more than 1% of the Company's Shares on issue at the date of this Notice;
- (b) all of the Shares issued were fully paid ordinary shares which were on the same terms and ranked equally with all other existing Shares from their date of issue;
- (c) a total of 71,428,571 Shares were issued on 9 July 2021;
- (d) the Shares were issued for cash consideration of \$0.014 per Share;

- (e) the purpose of the issue of the Shares was to raise additional funds for the Company, with the funds being used, and to be used towards exploration, including further drilling of the Mt Cattlin Gold Project and generation and initial-phase exploration of new projects, as well as general working capital for administration;
- (f) a voting exclusion statement is included in the Notice.

3.4 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 3.

4.0 RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

4.1 General

ASX Listing Rule 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in ASX Listing Rule 7.1 (**10% Placement Facility**).

An eligible entity is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis). The Company is an eligible entity.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company has one class of quoted equity securities on issue, being ordinary shares (ASX Code: TKL).

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue quoted Equity Securities under the 10% Placement Facility available under ASX Listing Rule 7.1A. The maximum number of quoted Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue quoted Equity Securities without Shareholder approval available under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing (or agreeing to issue) Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4.2 Description of Listing Rule 7.1A and information required by Listing Rule 7.3A

(a) 10% Placement Period

If Shareholders approve Resolution 4, the Company's ability to issue quoted Equity Securities under the 10% Placement Facility will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.1 or 11.2,

(the **10% Placement Period**).

(b) Minimum Issue Price

The issue price of quoted Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average market price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) **Purpose of Funds Raised**

Funds raised from the issue of quoted Equity Securities under the 10% Placement Facility are intended to be used towards advancing existing assets and investments, the acquisition and development of new assets and investments, and general working capital including corporate and administration costs.

(d) **Economic and Voting Dilution Risk**

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100% and the voting dilution impact of such an increase. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlement issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.007 (50% decrease in current issue price)	\$0.014 (Current issue price)	\$0.028 (100% increase in current issue price)
622,107,894 (Current Variable A)	Shares issued – 10% voting dilution	62,210,789	62,210,789	62,210,789
	Funds raised	\$435,476	\$870,951	\$1,741,902
933,161,894 (50% increase in Variable A)	Shares issued – 10% voting dilution	93,316,184	93,316,184	93,316,184
	Funds raised	\$653,213	\$1,306,427	\$2,612,853
1,244,215,788 (100% increase in Variable A)	Shares issued – 10% voting dilution	124,421,579	124,421,579	124,421,579
	Funds raised	\$870,951	\$1,741,902	\$3,483,804

The table has been prepared on the following assumptions.

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options or Performance Rights (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused by their own shareholding depending on the specific circumstances.

- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The current issue price is \$0.014 being the closing price of the Shares on the ASX on 11 October 2021.
- (viii) The Company will only issue the Equity Securities during the 10% Placement Period.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors set out in the Company's allocation policy, including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Substantial Holders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) **Use of 10% Placement Facility in prior 12 months**

The Company has not utilised the 10% Placement Facility approved by shareholders at the last AGM held on 26 November 2020.

(g) **Voting Exclusion**

A voting exclusion statement is not included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

5.0 RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO THE MANAGING DIRECTOR

This resolution seeks approval to issue 2,000,000 options to Mr Patrick Verbeek, the Company's Managing Director, as an incentive. The options are exercisable within 3 years of their issue at an exercise price that will be set at a 25% premium to the volume weighted average market price (as defined in the ASX Listing Rules and hereinafter referred to as VWAP) of the Company's shares, calculated over the last five days on which the Company's shares have traded on the ASX up to and including the day prior to the date of the Meeting. The Company will announce the VWAP, so calculated, prior to the commencement of the Meeting. These options are not linked to the Company's performance.

5.1 Background

The broad remuneration policy of the Company, as set out in the Remuneration Report which forms part of the Directors' Report in the Company's 2021 Annual Report, is to ensure that the remuneration package of key management personnel reflects their duties and responsibilities and is competitive in attracting, retaining and motivating people of the highest quality.

The non-executive directors, being all the directors other than Mr Verbeek, have reviewed Mr Verbeek's remuneration package and recommend the issue of these options to Mr Verbeek based on the following considerations:

- (a) the services provided by Mr Verbeek to the Company over the seventeen years since its listing;
- (b) the importance of providing an option-based incentive to Mr Verbeek for a continuing high level of service in future;

- (c) Mr Verbeek's overall level of remuneration for the previous financial year, as set out in the Remuneration Report in the Company's 2021 Annual Report and summarised in 5.2 below;
- (d) the general level of remuneration of other executives with similar roles to Mr Verbeek in the mineral exploration industry.

5.2 Chapter 2E of the Corporations Act – Related Party Transaction

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Verbeek, being a director of the Company, is a related party of the Company and the issue of the options does not fall within one of the nominated exceptions to the provision.

In accordance with Section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed issue of options to Mr Verbeek.

Terms and Conditions of the options

The proposed terms and conditions of the options are as follows:

- (a) Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of Traka Resources Limited;
- (b) Issue Price: Each option is issued for nil consideration;
- (c) Exercise Price: The Exercise Price is the VWAP multiplied by 1.25, calculated in cents to 2 decimal places;
- (d) Expiry Date: The options will expire on 29 November 2024 unless expiry occurs earlier under these terms and conditions;
- (e) Issue Date: The date this resolution is passed by Shareholders and in any event no later than 1 month after the date of the Meeting;
- (f) Not transferable and not listed: The options are not transferable and not listed;
- (g) Exercise: Subject to (h) below, the options may be exercised by notice in writing to the Company (the Exercise Notice), delivery of the option certificate and payment of the Exercise Price to the Company at any time prior to 5.00 pm Western Standard Time (WST) on the Expiry Date (the Exercise Period). The options may be exercised in one or more lots on different occasions during the Exercise Period, provided that such lots are equal to or a multiple of 50,000 options. Within 5 business days of receipt of the Exercise Notice and option certificate and payment of the Exercise Price, the Company will allot the corresponding number of fully paid ordinary shares to the option holder, procure the issue of a statement of holding for the shares and apply for the shares to be listed on the Australian Securities Exchange (ASX). The shares issued as a result of exercise of the options shall rank equally in all respects with the other issued fully paid shares in the Company. In the event of an exercise of less than all of the options a balance option certificate will also be issued;
- (h) Cessation of engagement:

In the event that either Mr Verbeek or his associated company, Malahang Pty Ltd (Malahang), ceases to be engaged by the Company, or Mr Verbeek is deceased (the Cessation Date), the number of Mr Verbeek's options which can validly be exercised as at the Cessation Date may be exercised by or on behalf of Mr Verbeek or his nominated option holder or personal representative within the lesser of 3 months from the Cessation Date and the term remaining to the Expiry Date of the options, following which the options shall forthwith lapse and have no further effect, unless otherwise determined by the directors of the Company;

In the event that Mr Verbeek's or Malahang's services to the Company are terminated by the Company following, or as a result of, the takeover of the Company, or following a change of control of the Company (being a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of Section 500A of the Corporations Act 2001 (Cth) gains such control over the Company), all the options shall remain in full force and effect for the full term up until the Expiry Date;
- (i) New share issues: There are no participation rights or entitlements inherent in the options and their holder will not be entitled to participate in new issues of capital offered to shareholders without exercising the options. The Company, however, will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be in accordance with the ASX Listing Rules. This will give the option holder the opportunity to exercise his options (should he otherwise be entitled to) prior to the date for determining entitlements to participate in any such issue;
- (j) Reorganisations: In the event of any reorganisation of the issued capital of the Company, the number of options or the exercise price of the options or both shall be reconstructed in a manner which complies with the ASX Listing Rules in force at that time and in all other respects the terms for the exercise of the options shall remain unchanged; and
- (k) Options not exercised by 5.00 pm WST on the Expiry Date will automatically expire.

Value attributed to the proposed issue of options

For illustrative purposes, the Company has used the Black Scholes option valuation model to calculate the value that would be attributable to the proposed options, had they been issued on 11 October 2021 - that is at the time of preparation of this Notice.

The value so calculated is 0.94 cents per option or \$18,800 for the 2,000,000 options.

The assumptions used in the valuation are set out below:

The assumptions used in the valuation are set out below:

VWAP of Traka shares	1.29 cents
Exercise price - 25% premium to VWAP	1.61 cents
Risk free rate - 3-year Commonwealth Bond rate 11 Oct 2021	0.44%
Expected volatility	117%
Time to expiry	3 years

The expected future volatility of the Company's shares for the purpose of this valuation has been based on the historical volatility of Traka's shares over the past year – that volatility is approximately 117%.

The value of the options is particularly sensitive to volatility. The table below sets out the effect of different volatilities between 80% and 120% on the valuation above, all other assumptions remaining unchanged:

Volatility (%)	Value per option (cents)	Value of 2,000,000 options (\$)
105	0.86	17,200
110	0.89	17,800
117	0.94	18,800
120	0.95	19,000
125	0.98	19,600

The Exercise Price of the options will be based on the VWAP of the Company's shares. The value that will be attributed to the options in the Company's accounts can only be established as at the Issue Date. The table below sets out the effect of different VWAPs of Traka shares and hence related Exercise Prices, on the valuation above, all other assumptions remaining unchanged:

VWAP (cents)	Exercise Price (cents)	Value per option (cents)	Value of 2,000,000 options (\$)
1.1	1.38	0.97	19,400
1.2	1.50	0.95	19,000
1.3	1.61	0.94	18,800
1.4	1.75	0.92	18,400
1.5	1.88	0.90	18,000

Note: In accordance with Australian Accounting Standard AASB 2 "Share Based Payments", the Company will calculate the actual value attributable to these options as at the Issue Date, and this cost will be recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

Total remuneration package of Mr Verbeek

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 agreed to provide the services of its employee, Mr 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 20 November 2003 with an initial term of 2 years and has been extended since for further terms of 1 or 2 years. The current term expires in November 2021. The current base consulting fee is \$250,000 per annum.

The amount of fees expected to be paid under the current Consultancy Agreement for the year ending 30 June 2022 is \$250,000 plus reimbursement of work-related expenses. The total remuneration package of the Managing Director for the 2021/22 year under the current agreement and at the current rate of remuneration, including the estimated value of the proposed options, would amount to:

Fees (payable to Malahang)	\$250,000
Estimated value of proposed options based on assumptions as at the time of preparing this Notice	<u>\$ 18,000</u>
Total remuneration package	<u>\$268,800</u>

Relevant interest of Mr Verbeek in the securities of the Company

Mr Verbeek has the following relevant interests in the securities of the Company:

Holding	Interest	Shares	Options
Malahang Pty Ltd	Mr Verbeek is a director and shareholder of Malahang Pty Ltd	24,821,964	4,000,000

2,000,000 of the existing options (exercisable at 4.67 cents per share) expire on 16 November 2021.

The effect of the issue on existing shareholders

There are currently 622,107,894 shares on issue in Traka. Should the 2,000,000 options proposed to be issued in this resolution be exercised in full, existing members' interests will be diluted by 0.3%.

These options represent a new category of unlisted options and consequently there is no trading history. The Company's shares have a 12 month price range of a high of 3.1 cents and a low of 1.2 cents with the last sale price being 1.4 cents on 11 October 2021.

The estimated cost to the Company of the issue of the options, based on the valuation set out in subsection 5.2, is \$18,800 or 0.94 cents per share on issue. The actual cost will depend on the VWAP of Traka shares and the related Exercise Price.

Except as stated in this Explanatory Memorandum, the Directors do not consider that, from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by granting the options, pursuant to this resolution, to Mr Verbeek or his nominee upon the terms proposed, except as otherwise disclosed in this Explanatory Statement.

Neither the Company nor the Directors are aware of any undisclosed information that would be reasonably required by shareholders to make a decision in relation to the potential financial benefits contemplated by this resolution.

Directors' recommendation

Approval of this proposed resolution would have the effect of authorising the issue of 2,000,000 free options over unissued shares in the Company to Mr Verbeek.

The Directors, other than Mr Verbeek, do not have an interest in the outcome of this resolution and recommend that shareholders approve the issue of the options for the following reasons:

- (a) the options are considered by the Directors to provide a cost-effective means of giving an incentive to Mr Verbeek to advance the Company's interests in accordance with the directions given from time to time by the board of directors; and
- (b) the number of options to be issued is considered to be in line with the number issued to directors of similar companies.

Mr Verbeek, who stands to gain personally from the issue of the options, declines to make any recommendation in relation to shareholders' consideration of this resolution.

5.3 Listing Rule 10.13 Disclosures

The following information is provided to satisfy ASX Listing Rule 10.13 to allow shareholders to assess the proposed issue of options in the Company:

- (a) The name of the person to whom the proposed issue of options will be made is Mr Patrick A Verbeek;
- (b) Mr Verbeek is a director, and hence a related party, of the Company;
- (c) The maximum number of options to be issued is 2,000,000;
- (c) The Issue Date will be the date of the passing of this resolution and in any event no later than one month after the date of the Meeting;
- (d) The options will be issued free on the terms and conditions set out in subsection 5.2 above;
- (e) A voting exclusion statement for this resolution is included in the Notice;
- (f) No funds will be raised by the issue of the options. If all the options are exercised, based on an Exercise Price of 0.94 cents per share, as used in the example valuation in subsection 5.2, the exercising of the options would result in an additional \$18,800 of working capital for the Company.

Approval of shareholders is being sought under this Resolution pursuant to ASX Listing Rule 10.11 for the issue of up to 2,000,000 options. Consequently, in accordance with, ASX Listing Rule 7.2 (Exception 14), shareholder approval under ASX Listing 7.1 is not required for the issue of these options.

ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 9322 1655 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 4.1 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chairperson of the Meeting

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Traka Resources Limited (ACN 103 323 173).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement to the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid, ordinary share in the Company.

Shareholder means a holder of Shares in the Company.

Substantial Holder has the meaning given in the ASX Listing Rules.

Trading Days has the meaning given in the ASX Listing Rules.

VWAP means volume weight average market price, as defined in the ASX Listing Rules.

WST means Australian Western Standard Time as observed in Perth, Western Australia.

TRAKA RESOURCES LIMITED

ACN 103 323 173

Ground Floor, 43 Ventnor Avenue
West Perth WA 6005

Mailing Address:

PO Box 601, West Perth WA 6872

Telephone: 61 8 9322 1655

Facsimile: 61 8 9322 9144

Email: traka@trakaresources.com.au

Web: www.trakaresources.com.au

Proxy Form

I/we.....(full name, block letters)

of.....
being a member of **Traka Resources Limited** hereby appoint

.....
or, failing him, the chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at **10:00 am on Tuesday 30 November 2021**, and at any adjournment thereof in accordance with the directions indicated below.

MY/OUR INSTRUCTIONS AS TO VOTING ON THE RESOLUTIONS

If two proxies are being appointed, the proportion of voting rights this proxy is appointed to represent is:

The proxy is directed to vote in relation to the resolutions referred to in the Notice as follows:

ORDINARY BUSINESS

FOR AGAINST ABSTAIN

Resolution 1: Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of Mr Joshua Pitt as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Approval of 10% placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Approval of issue of options to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Chairman's Voting Intentions:

I/we understand that the chairman of the meeting intends to vote undirected proxies in favour of all items of business.

Additional Instructions:

Resolution 1: Where I/we have not specified above how my/our proxy is to vote in relation to Resolution 1 and my/our proxy is a member of the key management personnel of the Company, or a closely related party of that member, I/we understand that:

- a) where my/our proxy is the chairman of the meeting, I/we hereby expressly authorise him to exercise my my/our proxy, even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company;
- b) where my/our proxy is not the chairman of the meeting, he is not permitted to cast my/our vote on this resolution, and my/our vote will not be counted in computing the required majority if a poll is called on this item.

AUTHORISED SIGNATURE/S

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

This form is to be used in accordance with the instructions overleaf.

Instructions for completing and lodging this Proxy Form

1. In order to direct the proxy in relation to all votes covered by this instrument in a particular manner, place a tick or a cross in one of the boxes headed "For", "Against" or "Abstain". Where no mark is made in any of the boxes for a resolution (that is no direction is given to the proxy) the proxy may vote as he sees fit, subject to restrictions that may apply, such as in the case of Resolution 1 – see below. Please note that, if you mark the "Abstain" box for a particular resolution, your votes will not be counted in computing the required majority on a poll.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and, on a poll, to vote in their stead.
3. Where two proxies are appointed, neither proxy shall be entitled to vote on a show of hands and, on a poll, the appointment shall be of no effect unless each proxy is appointed to represent a specified proportion of the shareholder's voting rights, in which case the shareholder should indicate the proportion of voting rights this proxy represents in the box provided.
4. A proxy may, but need not, be a shareholder of the Company.
5. The Proxy Form must be signed by the shareholder or his attorney duly authorised in writing (or, if the holder is a corporation, pursuant to Section 127(1) of the Corporations Act).
6. The Proxy Form (and any power of attorney or other authority pursuant to which the Proxy Form has been signed) must:
 - either be deposited at the registered office of Traka, Ground Floor, 43 Ventnor Ave, West Perth, WA 6005;
 - or be sent by mail to Traka Resources Limited, PO Box 601, West Perth, WA 6872;
 - or be sent by facsimile to Traka at (08) 9322 9144;
 - or be sent by email to traka@trakaresources.com.au;in time to be received not later than 48 hours before the time fixed for the holding of the meeting.
7. Proxy voting by key management personnel on remuneration related resolutions:

Resolution 1 – Adoption of the Remuneration Report

In accordance with subsection 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of, either

- (a) a member of the key management personnel of the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

Subsection 250R(5) however provides that a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above, and either:

- (a) the person does so as a proxy, appointed by writing that specifies how the proxy is to vote on the resolution; or
- (b) the person is the chairman of the meeting, and the appointment of the chairman of the meeting as proxy
 - (i) does not specify how the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chairman of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

Subsection 250BD(2) however states that the above prohibition does not apply to the chairman of the meeting where the appointment of the chairman of the meeting as proxy expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with a member of the key management personnel of the Company.

Shareholders eligible to cast a vote on Resolution 1 are encouraged to specify how their proxy is to vote on this resolution by marking the 'For' or 'Against' boxes alongside Resolution 1 overleaf.
