



Traka Resources Limited

ABN: 63 103 323 173

The Manager
Company Announcements Office
Australian Stock Exchange Limited (ASX)
Electronic Transmission
1 page(s)

Dear Sir/Madam

SHARE PURCHASE PLAN

Traka Resources Limited ("Traka" or the "Company") has decided to offer shareholders a right to subscribe for a limited number of shares at a discount to current market price through a Share Purchase Plan ("Plan"). The Plan, which follows on Traka's announcement of a major farm-out agreement in relation to its Ravensthorpe nickel tenement holding with the Independence Group NL ("IGO"), is designed to provide the Company with adequate working capital for the foreseeable future whilst IGO is committed to expend \$1,500,000.00 on the Ravensthorpe area within the next 15 months. The Plan provides eligible shareholders with the opportunity to purchase up to \$4,999.95 worth of fully paid ordinary shares in the Company ("Shares") without brokerage costs, commissions and stamp duty. The issue price of the Shares will be 15 cents per share, a 13 % discount to the current market price. Subscription for Shares under the Plan is voluntary, but if subscribed for, must be a minimum of 6,660 shares, then in multiples of 10,000 shares, to a maximum of 33,333 Shares. The offer to subscribe for the Shares will be non-renounceable.

The maximum number of shares to be issued under the Plan is 9,510,000. The shares will rank equally in all respects with existing fully paid ordinary shares.

The right to participate in the Plan will only be available to registered holders of fully paid ordinary shares in the Company as at 5.00 pm (WST) on 16 November 2005. It will also be limited to shareholders whose registered address is in Australia or New Zealand.

Directors of Traka may subscribe for Shares under the Plan in respect of their own shareholdings. No shareholder approval is necessary in respect of the Plan which complies with the exemptions from the requirement for shareholder approval contained in ASX Listing Rule 7.2 (Exception 15).

Full details of the plan will be set out in documentation together with a personalised application form which Traka will send to all eligible shareholders next week.

Yours sincerely

N Tomkinson
Chairman
10 November 2005

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