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31st January 2014

Quarterly Report 31st December 2013

Highlights of activities for this quarter include:

- ❖ **Zealous High Grade Tin Discovery – New Drill Program** started at Zealous. Results due Q1-2014

Previous results:

- 21m @ 1.20% Tin, incl. 7m @ 3.28% Tin
- 5m @ 2.29% Tin

- ❖ **Port approval for IronClad Mining**

- ❖ **Further High Grade drill results for Orinoco Gold Limited**

Company Overview

Trafford Resources Limited is a Perth-based mineral exploration company which has been listed on the Australian Stock Exchange since June 2006.

With a diverse range of active projects and an approach of adding value from exploration through to development, Trafford continues to expand its operations with the aim of becoming a self-funded exploration and mining house.

Exploration – South Australia

Wilcherry Hill

The Wilcherry Hill Project was initially comprised of four Exploration Licences, covering 976 km² and since, an additional three Exploration Licences were added to the project, Mount Double, EL4443, Mount Miccollo, EL4748, and Pinkawillinie EL4870, with the project area expanding to over 1,476km². In 2012 Trafford increased its footprint in the Wilcherry area to a total of 2,692km² with the granting of two tenements; Reid Lookout, EL4945 and Siam, EL4946.

Zealous High Grade Tin Discovery

During the quarter, Trafford Resources announced the commencement of a drill program at the recently discovered high grade Tin prospect Zealous at the Wilcherry Hill Project in the Northern Eyre Peninsula of South Australia.

All drilling to date confirms the presence of a near surface, broadly mineralised horizon of high grade Tin. However, poor sample recovery was experienced in the majority of the previous holes drilled and a new drilling program commenced to obtain better sample.

Ongoing metallurgical test work on samples from Zealous has confirmed that the Tin is represented by Cassiterite (SnO_2). Cassiterite is often easily extracted through a conventional gravity circuit.

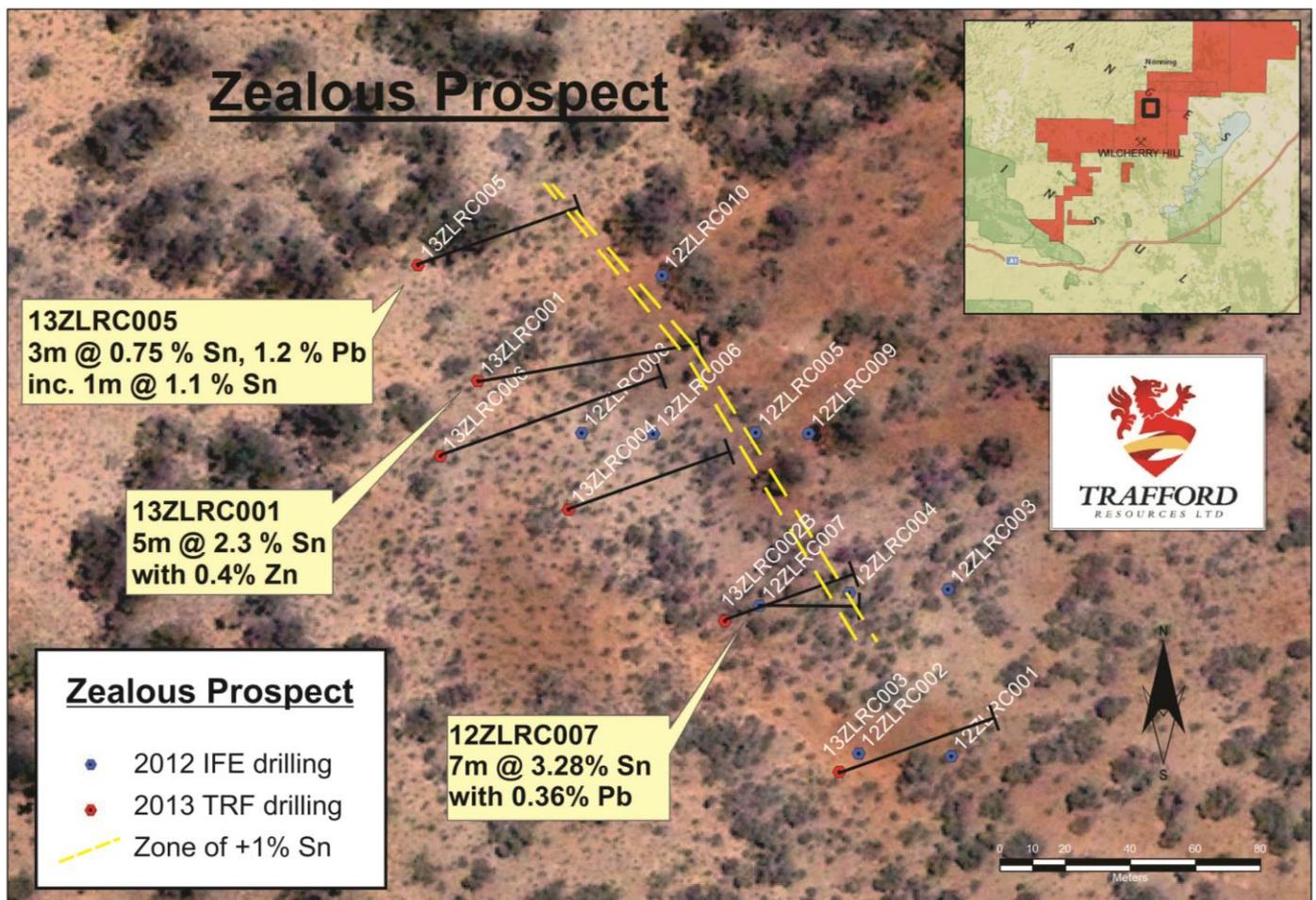


Figure 1: Plan map of Zealous prospect showing significant assay results from drilling

Table 1: Significant intercepts from drilling at Zealous Prospect, Wilcherry Hill, South Australia

Hole ID	Depth From (m)	Depth To (m)	Intercept Width (m)	Sn (%)	Pb (%)	Zn (%)	U (ppm)
12ZLRC002	36	54 (EOH)	18	0.02	0.33	0.14	246
12ZLRC007	42	63 (EOH)	21	1.20	0.27	0.14	77
<i>including</i>	52	59	7	3.28	0.36	0.15	54
<i>and</i>	53	63 (EOH)	10	2.20	0.33	0.13	93
12ZLRC008	48	60 (EOH)	12	0.08	0.24	0.11	56
13ZLRC001	72	138 (EOH)	66*	0.33	0.43	0.27	91
<i>including</i>	128	133	5	2.29	0.14	0.41	10
<i>and</i>	75	102	27*	0.19	1.43	0.03	62
<i>and</i>	93	111	18*	0.11	0.61	0.37	225
13ZLRC002B	45	51	6	0.08	1.56	0.01	24
<i>and</i>	48	84 (EOH)	36	0.11	0.35	0.07	60
<i>including</i>	78	83	5	0.21	0.23	0.07	89
13ZLRC003	49	61	12*	0.02	0.39	0.20	90
<i>including</i>	54	57	3**	0.02	0.46	0.52	180
13ZLRC004	74	85	11**	0.06	0.89	0.01	35
<i>including</i>	74	78	4	0.08	1.19	0.01	37
<i>and</i>	87	91	4**	0.08	0.55	0.13	90
<i>and</i>	97	103	6**	0.05	0.18	0.43	518
13ZLRC005	46	64	18	0.00	1.01	0.01	18
<i>and</i>	103	106 (EOH)	3**	0.75	1.22	0.39	50
<i>including</i>	103	104	1**	1.13	0.75	0.32	39
13ZLRC006	129	144 (EOH)	15	0.09	1.33	0.16	86

* = Includes sample with no recovery, average calculated by giving that sample nil value

** = Interval starts after no recovery or ends prior to no recovery interval

New tin mines being targeted for production have an average grade in the order of 0.5% tin for open pits and 1% for underground operations. Tin is currently one of the highest priced metals amongst the mainstream London Metal Exchange (LME) at a prevailing price of around \$23,000 / tonne. For comparative purposes, the next highest-priced LME mainstream metal is nickel, with a current price in the order of US\$15,000 per tonne. Furthermore, the concentrate off take terms for Tin are amongst the most attractive of the LME metals (more favourable than for nickel for example), which further adds weight to the importance of the high-grade nature of the Tin discovery at the Zealous Prospect.

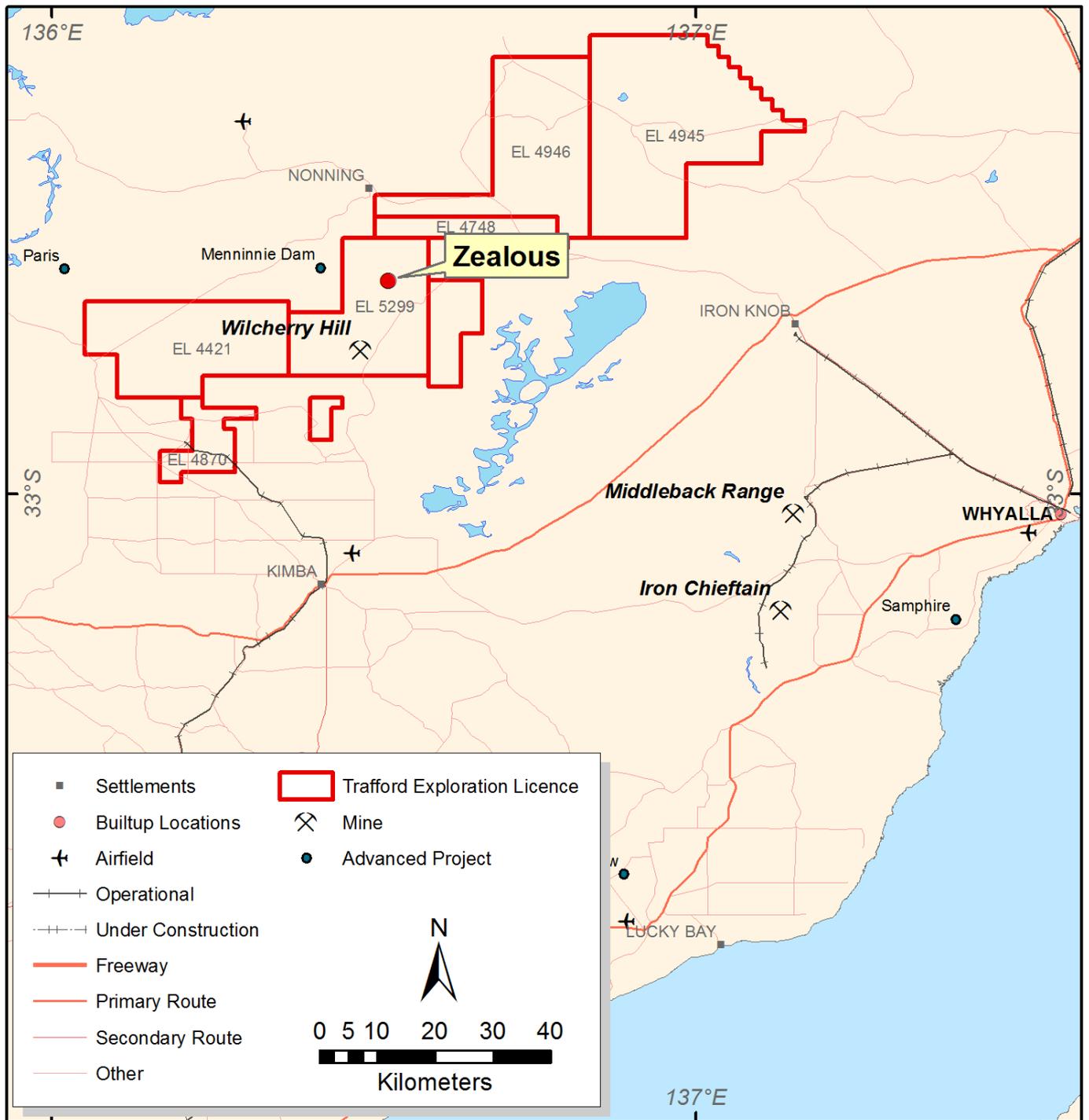


Figure 2: Zealous prospect location, Wilcherry Hill Project, South Australia

Oxy's Bore - Iron Oxide/Copper/Gold

The partly PACE funded (50% of direct drilling costs) Oxy's Bore diamond drill hole 13OBDH001 was completed for a total of 539.6 metres.

The target was a circular, 300m diameter, blind, aeromagnetic anomaly interpreted to have intruded at a three point structural intersection approximately 13 kilometres south-south-east of Investigator Resources' "Paris Project" area. A Carapateena style magnetite iron / copper / gold intrusion was modelled from the geophysical response.

The hole intersected a medium grained, magnetite rich skarn from 408m to 428m down hole interval. The assay results from samples of this skarn mineralisation returned 20m at 31% Fe. Significantly within this skarn zone was elevated gold, up to 0.16g/t, copper, up to 0.10%, zinc, up to 1.34%, tin, up to 0.49%, and tungsten, up to 0.68%.

Geophysical modelling of the magnetite rich intersection adequately explained the targeted aeromagnetic anomaly target zone. A number of alteration zones of varying widths were intersected from 400m to 513m including brick red iron flooded/replacement and epithermal textures.

Geological interpretation of the mineralised structures combined with the geophysical down hole logging will assist Trafford in identifying the strike and size extent of the mineralisation. Additionally the base contact of the magnetite skarn intersected gold over 0.6m at 0.27g/t.

The University of Adelaide's down hole logging contractor (Endeavour Geophysics) completed various down hole logging surveys of the hole as part of a university funded program. Survey tools included were Gyroscope, MST (resistivity, temperature, deviation, spontaneous potential and gamma radiation), Full Wave Sonic, Acoustic Televiwer, MIG (Magnetic susceptibility and conductivity) and Dual Density calliper, which will assist in analysis of the hole as well as potentially indicate further targets for follow up drilling by Trafford. This is a collaborative program between DMITRE and the South Australian Centre for Geothermal Energy Research (SACGER) at the University of Adelaide, and is funded by AusScope through their Australian Geophysical Observing System (AGOS) project.

The partially funded drill programme further consolidates the relationship between PACE and Trafford in exploring South Australia for minerals.

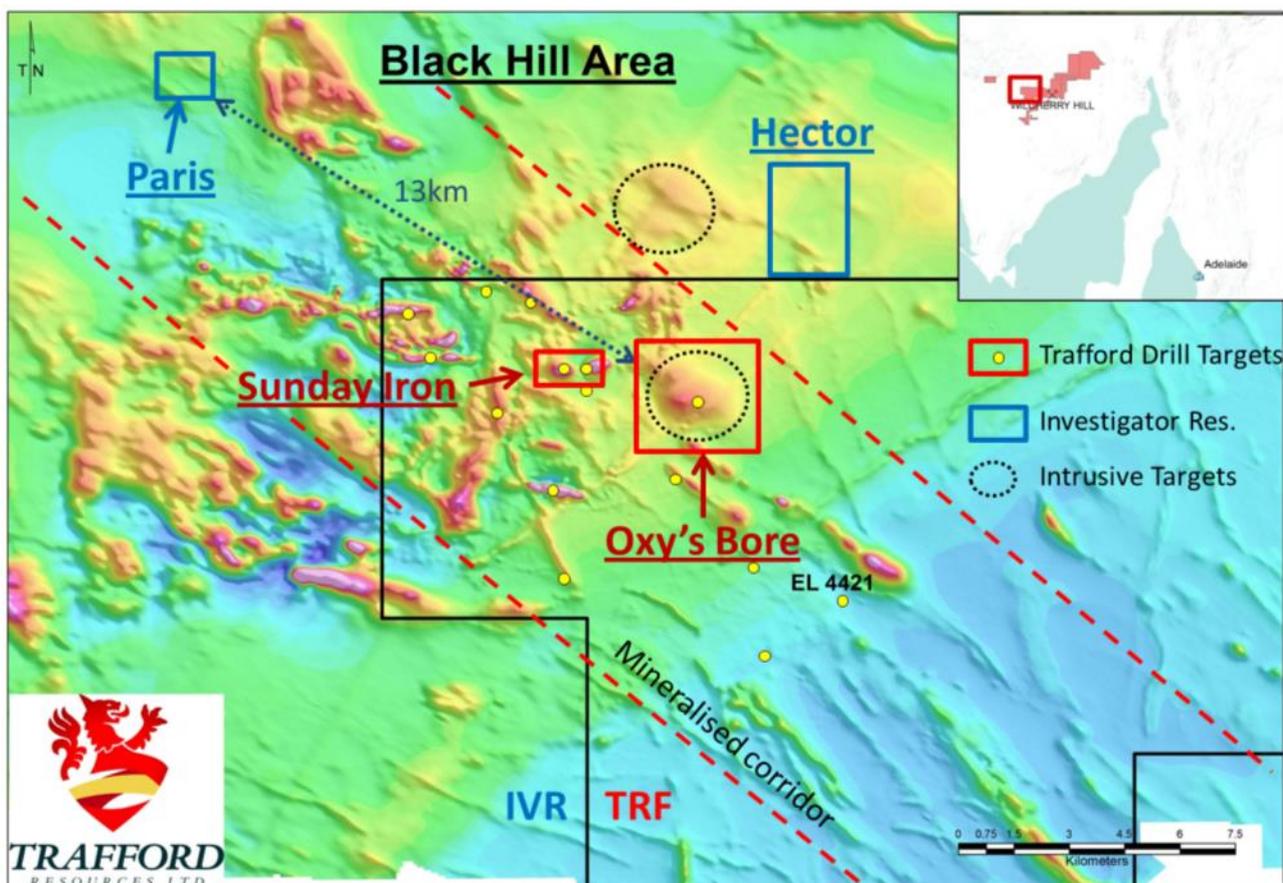


Figure 3: Oxy's Bore location within the Black Hill area - magnetics background

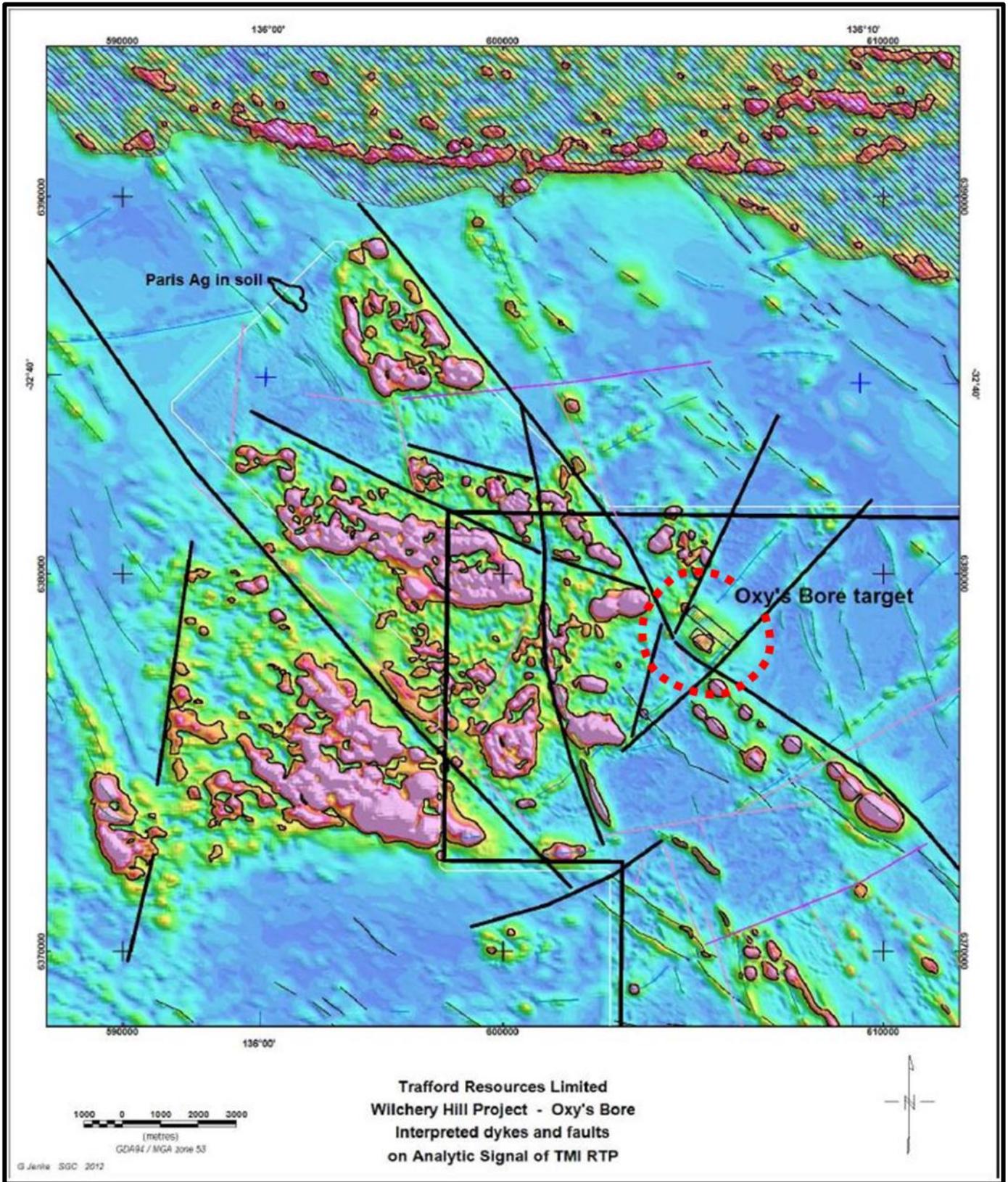


Figure 4: Oxy's Bore Prospect location with respect to major structural features within the Black Hill area

Exploration – Western Australia

Twin Peaks / Moorarie JV Project

Trafford is in the planning stages of the second round of drilling at the Twin Peaks Project following exploration success to date.

The Twin Peaks project covers over 20km of a highly prospective, north-south striking, Banded Iron Formation (BIF) belt. These BIF units throughout the Mid-West contain iron ore deposits such as Jack Hills, Weld Range and Talling Peaks (**Figure 5**). The Project is a Joint Venture between Trafford and Independence Group whereby Trafford may earn up to 80% equity in the iron ore rights by expending a total of \$5M over 5 years.

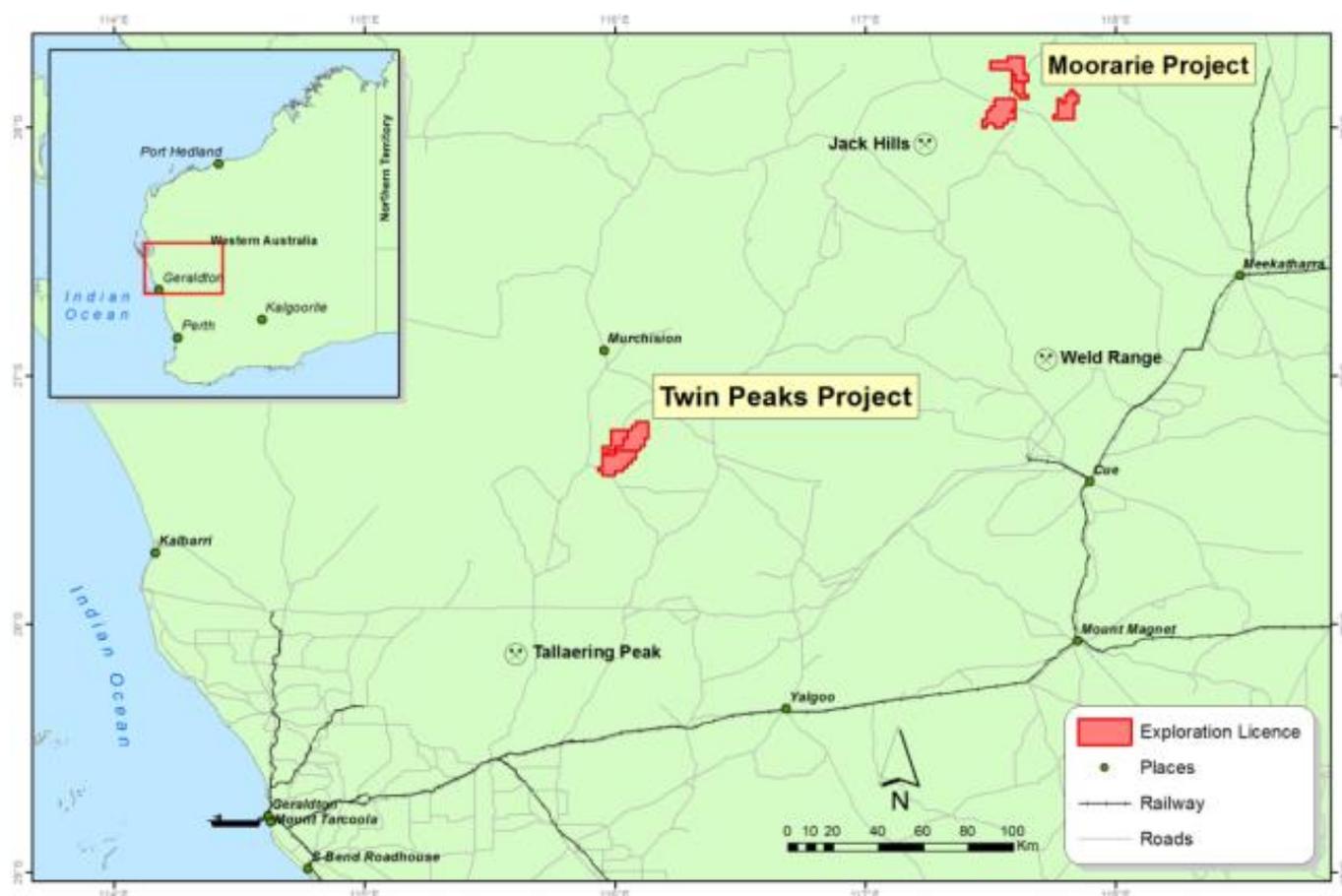


Figure 5: Location of Twin Peaks and Moorarie Project Areas

Jumbuck / Challenger JV Project

Trafford continues to develop its Western Gawler Craton project and now has access to approximately 7,100Km² of highly prospective and vastly underexplored ground surrounding the Challenger Gold Mine. There are over 300 gold anomalies that have yet to be investigated.

Investments

IronClad Mining

The South Australian Government gave their approval for the development of the multi user port at Lucky Bay, near Cowell on the Eyre Peninsula of South Australia.

The approval marks the last major regulatory hurdle for the Wilcherry Hill Iron Ore Project, a 20% / 80% Joint Venture (J/V) between Trafford and IronClad Mining Limited (ASX: IFE). Enabling commencement of work on the port is the last link in the infrastructure chain necessary to market the J/V's iron ore.

Upon IronClad completing debt finance negotiations, Stage 1 mining will commence at Wilcherry Hill, approximately 40 km north of Kimba. Following the approval of the port development ore can now be stockpiled at Lucky Bay ready for transhipment by tug and barge to waiting offshore vessels.

The economics of Stage 1 of the project are robust and Trafford is now in sight of its objective of realising a significant cashflow from the project in order to self-fund its ongoing exploration.

In addition to Trafford's 20% ownership of the project it is also the major shareholder in IronClad, holding approximately 27.5% of the issued capital.

Manganese Joint Venture

On 24th October, the Company entered into a letter agreement with IronClad Mining Limited whereby subject to certain key milestones and a payment of \$250,000 to the Company, IronClad have the right to earn up to an 80% interest in all Manganese over the Wilcherry Hill Joint Venture area.

Orinoco Gold

Orinoco Gold Limited (ASX: OGX) released further drill results from the current exploration at Faina Goldfields Project in Central Brazil.

Orinoco Gold reported grades of 4.4m @ 760.3g/t silver, including 1.05m @ 2,510g/t silver, in a recently completed diamond drill hole (See copy of Orinoco's ASX announcement attached).

Trafford currently holds a 16.4% direct equity interest in Orinoco Gold Limited.

Corporate

The Annual General Meeting was held on 14 October 2013 with all resolutions put to the meeting being unanimously passed by a show of hands.

The Renounceable Entitlement Issue of Shares offered during the quarter on a one for ten basis at 12 cents a share with one option exercisable at 20 cents on or before 20 May 2015 for every two shares applied for, closed with acceptances of \$700,904.

2,000,000 unlisted options exercisable at 56 cents lapsed on 28th November 2013.

Subsequent Event

A 9 hole 1,270m Reverse-circulation (RC) drilling campaign at the Zealous Tin Prospect, Wilcherry Hill, South Australia has been completed. The programme follows the high grade discovery diamond hole (see ASX Announcement 13 January 2014) completed late last year which intersected 12.3m @ 1.1% Tin from 119m, including 1.3m @ 4.8% Tin.

Trafford satisfied the earning obligation for 51% (Earned Interest) of the Twin Peaks and Moorarie Rocks Iron Ore Joint Venture with Independence Group (ASX: IGO). The projects are located northeast of Geraldton in the Murchison region of Western Australia.



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Trafford Resources Limited (TRF) is a Perth-based mineral exploration company which has been listed on the ASX since June 2006. Trafford's primary focus is exploring for Iron Oxide/Copper/Gold/Uranium (IOCGU) deposits in South Australia's Gawler Craton.

Disclosure statement

Competent person statement:

The information in this announcement that relates to results is based on information compiled by Ian D. Finch, who is a Member of The Australasian Institute of Mining and Metallurgy and who has more than five years' experience in the field of activity being reported on. Mr. Finch is a full-time employee of the company.

Mr. Finch 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. Finch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.