



QUARTERLY ACTIVITIES REPORT 30 June 2018

Drake Resources Limited (Drake or Company) presents this Quarterly Activities Report for the quarter ended 30 June 2018.

Existing Projects

Drake's subsidiary, Drake Sweden AB was notified that it was successful in its application for Berga Nr1, enlarging its position adjacent to the Tullsta nr 2 and Tullsta nr 6 licences as part of the Granmuren Project District.

Drake has engaged Geolithic Geological Services to complete a geological review of the Granmuren-Bergslagen Project in Sweden. Geolithic has been engaged to compile data from various supplied sources and commence a review of the geological information with the aim of determining the extent of nickel sulphide mineralisation and economic potential of the project.

Geolithic Director, Neil Hutchison is an exploration/mining geologist with over 25 years' experience working in Australia and overseas. He has a track record of discovery, resource/reserve definition, project development, evaluations and acquisitions. Neil has extensive experience in gold, cobalt, copper, lithium, nickel, uranium and vanadium. Neil has specialised in nickel sulphide exploration for more than 15 years, being an integral team leader resulting in discoveries at the Cosmos, Mt Windarra, Lake Johnstone and the Black Swan Nickel Projects in Western Australia. Neil and his exploration team have defined over 500,000 tonnes of nickel in JORC resources through discovery, acquisitions and geological reinterpretation.

Drake intends to update the market on the outcome of the geological review shortly.

Corporate

On 19 June 2018 Drake announced that it had completed the less than marketable parcel share buy-back.

On 2 July 2018 Drake announced the appointment of Ms Sara Kelly as Non-executive Chairman of the Company. Ms Kelly was appointed Non-executive Director of the Company on 1 June 2017.

TENEMENT SCHEDULE			
Tenement and Name	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter
SWEDEN			
Granmuren Project			
Tullsta nr 2 2012:78 (renewal pending)	100%	N/A	100%*
Tullsta nr 5 2017:140	100%	N/A	100%
Tullsta nr 6 2017:158	100%	N/A	100%
Berga nr 1 2018:48	100%	N/A	100%
Other Swedish Exploration Permits			
Gaddebo nr 3 2014:91	100%	N/A	100%
Gamla Jutbo nr 1 2012:104	100%	N/A	100%
Korsheden nr 1 2012:135	100%	N/A	100%
Prasthyttan nr 1 2012:105	100%	N/A	100%
NORWAY			
Joma/Gjersvik Area			
Grong 8-9	100%	N/A	100%*
Panoramic Alliance			
Sulitjelma	100%	N/A	100%*

* These applications are pending the grant of renewal applications.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Drake Resources Limited (ASX: DRK)

ABN

12 108 560 069

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12.months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(40)	(205)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(59)	(449)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (legal costs)	(8)	(110)
1.9 Net cash from / (used in) operating activities	(105)	(758)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12.months) \$A'000
2.2 Proceeds from the disposal of: (a) property, plant and equipment (b) tenements (see item 10) (c) investments (d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		1,750
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(2)	(107)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (Sharebuyback)	(15)	(15)
3.10 Net cash from / (used in) financing activities	(17)	1,628

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,516	524
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(105)	(758)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(17)	1,628
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,394	1,394

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,394	1,516
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,394	1,516

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

35

Amounts paid to directors and their associates as director's remuneration.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	100
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	200

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 31 July 2018

Print name: Julia Beckett

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.