



8 June 2017

UPDATE ON RECAPITALISATION

Drake Resources Limited (“Drake” or “the Company”, ASX: **DRK**) is pleased to announce an update on the proposal to recapitalise the Company and provide funding to evaluate its existing exploration assets in the Nordic Region as well as for administrative and working capital purposes in order to finalise reinstatement to trading of the Company’s securities (**Reinstatement**).

Company Update – Operations

Further to the Company’s operations update on 6 March 2017, the Company has retained its geological consultants, GeoPool, to progress its interest in Scandinavia with a priority on the Sulitjelma copper-zinc project in Norway (**Sulitjelma**) and the Granmuren nickel-copper project in Sweden (**Granmuren**).

GeoPool is a private geological exploration service and product provider in Finland, Sweden and Norway. GeoPool exploration geologists are experienced in the field providing target identification, geological mapping, geology modelling and the planning and execution of exploration programs including geochemical surveys and drilling.

Drake looks forward to working with GeoPool to progress Sulitjelma and Granmuren to further add to shareholder value.

Update on Capital Raising

In accordance with the resolutions approved at the Company’s Annual General Meeting on 5 April 2017, the Company provides the following update:

- a) a second tranche of funding under the converting loan facility of \$750,000 has been received and converted into a total of 75,000,000 Shares (at a conversion price of \$0.01 per Share) and 25,000,001 attaching unlisted options (\$0.02; 4 years) (**Debt Raising**);
- b) the Company has also issued 18,000,000 Shares (at a conversion price of \$0.01 per Share) and 6,000,000 attaching unlisted options (\$0.02; 4 years) to satisfy the Company’s repayment obligations to various creditors of the Company; and
- c) the Company is currently progressing a prospectus for the offer of up to 175,000,000 Shares, at \$0.01 per Share, to raise up to \$1,750,000 (**Prospectus Offer**). The terms of the Prospectus Offer are intended to be as follows:
 - I. a “top up” offer to Shareholders who hold less than a Marketable Parcel of Shares to subscribe for Shares to increase their shareholding to a Marketable Parcel of Shares (**Top Up Offer**);
 - II. a Priority Offer of up to \$1,000,000 to existing Shareholders of the Company (**Priority Offer**); and
 - III. to the extent that the number of Shares applied for under the Priority Offer and Top Up Offer is less than 175,000,000, the remaining Shares shall form part of a general offer to the public.

Subject to meeting ASX’s reinstatement requirements, the Company expects to be reinstated to trading shortly following completion of the capital raising under the Prospectus Offer.