



31 July 2017

Quarterly Activities Report June 2017



Drake Resources Limited (ASX Code: DRK) (Drake or the Company) presents this Quarterly Activity Report for the quarter ended 30 June 2017.

On 5 April 2017, the AGM of the Company was held where all resolutions were passed.

On 1 June 2017, Mr James Scovell and Ms Sara Kelly were appointed as non-executive Directors of the Company and Ms Julia Beckett was appointed Company Secretary of the Company, while Mr Jay Stephenson resigned as Company Secretary.

On 8 June 2017, the Company provided an update on the recapitalisation of the Company.

During the quarter, a total of \$850,000 was raised through the issue of convertible notes and a total of 110,500,000 Shares and 48,500,001 2 cent options were issued on the conversion of convertible notes at 1 cent per Share.

In June, the Company retained its geological consultants, GeoPool, to progress its interests in Scandinavia.

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.

On 20 June 2017, the Company lodged a Prospectus which included a top up offer to those shareholders who hold less than a marketable parcel, a priority offer to those shareholders who hold a marketable parcel and an offer of up to 175,000,000 Shares at 1 cent to raise up to \$1,750,000.

Post the end of the Quarter, the Company advised that it was in the process of seeking re-instatement of its Tullsta licence which expired in December 2016. The request for re-instatement covers a much larger area and includes several additional areas of interest close to the Granmuren Nickel deposit which occurs within the Tullsta licence.

As a result of the pending application relating to the Tullsta licence, the Company will be lodging a supplementary prospectus and will offer those investors that have applied for shares under the Prospectus, a one-month period to withdraw their applications. The Company has also applied to ASX for an extension of the current waiver of Listing Rule 14.7 to allow issue of shares under the Prospectus to be completed on or before 5 September 2017.

The Company is currently working with the ASX towards reinstatement as soon as possible.

– End –

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 (DRK)

ABN

12 108 560 069

Quarter ended (Current quarter)

30 June 2017

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 and evaluation	(57)	(96)
(b) development	-	-
(c) Compliance costs	(20)	(97)
(d) Due diligence	-	(84)
(e) administration and corporate costs	(151)	(234)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material): Legal	(120)	(121)
1.9 Net cash from / (used in) operating activities	(328)	(612)
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	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	146
(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	-	146

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 Months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	24	24
3.2 Proceeds from issue of convertible notes	850	1,000
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(61)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(100)	(100)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	774	863
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	78	127
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(328)	(612)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	146
4.4 Net cash from / (used in) financing activities (item 3.10 above)	774	863
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	524	524
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	524	78
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)	524	78
6. Payments to directors of the entity and their associates	Current quarter \$A'000	
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	-	
Directors salary, fees, superannuation, and exploration consultancy		
7. Payments to related entities of the entity and their associates	Current quarter \$A'000	
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	-	

8. Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end	Amount drawn at quarter end
	\$/A'000	\$/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.		

9. Estimated cash outflows for next quarter	\$/A'000
9.1 Exploration and evaluation ¹	50
9.2 Development	
9.3 Production	
9.4 Due Diligence	
9.5 Administration and corporate costs ¹	50
9.6 Other (provide details if material): Legal	
9.7 Total estimated cash outflows	100

¹ Subject to outcome of capital raising in line with Prospectus.

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	Tullsta nr 1 2010:171 Sweden	Exploration Permit	100	0
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

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



Signed: _____ Dated: 31 July 2017

Director

Print name: Jay Stephenson

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 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 standard applies 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.