

DRAKE RESOURCES LTD

ACN 108 560 069

PROSPECTUS

For the offer of up to 175,000,000 Shares at 1 cent per Share to raise up to \$1,750,000 (**Offer**).

The Offer includes:

- (a) a priority offer to Shareholders who hold Marketable Parcels of Shares to subscribe for one (1) Share for every four (4) Shares held as at the Record Date (**Priority Offer**);
- (a) 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**); and
- (b) to the extent that less than 175,000,000 Shares are applied for under the Priority Offer and Top Up Offer, those Shares will be offered to both existing Shareholders and new investors (**Public Offer**).

The Offer was approved by Shareholders at the General Meeting held on 5 April 2017. The Offer is subject to a minimum subscription requirement to raise at least \$1,000,000.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

CONTENTS

| | |
|---|----|
| 1. Corporate Directory | 1 |
| 2. Timetable | 2 |
| 3. Chairman's Letter | 3 |
| 4. Important Notes | 4 |
| 5. Details of the Offer | 6 |
| 6. Purpose and Effect of the Offer | 10 |
| 7. Rights and Liabilities attaching to Shares | 13 |
| 8. Risk Factors | 15 |
| 9. Additional Information | 19 |
| 10. Director's Authorisation | 25 |
| 11. Glossary | 26 |

1. Corporate Directory

Directors

Mr Ariel (Eddie) King
Non-Executive Director

Ms Sara Kelly
Non-Executive Director

Mr Jay Stephenson
Non-Executive Director

Mr James Scovell
Non-Executive Director

Company Secretary

Ms Julia Beckett

ASX Code: DRK

Share Registry

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Registered Office

283 Rokeby Road
Subiaco WA 6008

Phone: +61 8 6141 3500

Fax: +61 8 6141 3599

Website: www.drakeresources.com.au

Solicitors

Edwards Mac Scovell
Level 7
140 St Georges Terrace
Perth WA 6000

Auditor*

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3, 216 St Georges Terrace
Perth WA 6000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. Timetable

| | |
|--|------------------------------|
| General Meeting | 5 April 2017 |
| Priority Offer and Top Up Offer Record Date | 5:00pm (WST) on 20 June 2017 |
| Lodge Prospectus with ASX and ASIC | 20 June 2017 |
| Opening Date – Priority Offer, Top Up Offer and Public Offer | 23 June 2017 |
| Priority Offer, Top Up Offer and Public Offer Closing Date | 5:00pm (WST) on 30 June 2017 |
| Shares issued under Prospectus | 5 July 2017 |
| Despatch of Holding Statements | 6 July 2017 |
| Quotation Date | 7 July 2017 |

These dates are indicative only and subject to change. The Directors reserve the right to vary these dates, including the Closing Dates, without prior notice.

3. Chairman's Letter

Dear Investor

On behalf of the Directors, I am pleased to present this Prospectus offering you the opportunity to acquire Shares in Drake Resources Ltd (**Company**).

This Prospectus contains two offers to existing Shareholders of the Company. If you are a Shareholder who holds a Marketable Parcel of Shares (being a parcel of Shares worth not less than \$500, which equates to 50,000 or more Shares for the purposes of this Prospectus), you are invited to subscribe for one (1) new Share for every four (4) Shares you hold as at the Record Date. This is the Priority Offer.

If you are a Shareholder holding less than a Marketable Parcel of Shares (being a parcel of Shares worth less than \$500 which equates to less than 50,000 Shares), you are invited to subscribe for that number of Shares that would increase your holding to a Marketable Parcel. This is the Top Up Offer.

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. This is the Public Offer.

Shareholder approval was obtained at the General Meeting held on 5 April 2017 for the proposed issue of Shares under this Prospectus.

The funds raised under this Prospectus will be applied towards the assessment and development of the Company's existing projects and assessment of new opportunities in the resources sector.

This Prospectus contains detailed information about the Offers and the Company's business, as well as the risks of investing in the Company. I encourage you to read it carefully.

Yours sincerely



Eddie King
Director
Drake Resources Ltd

4. Important Notes

This Prospectus is dated 20 June 2017 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

4.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4.2 Shareholder approval

Shareholder approval for the Offer was obtained pursuant to Resolution 7 at the General Meeting held on 5 April 2017.

4.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.drakeresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

4.4 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8 of this Prospectus.

5. Details of the Offer

5.1 The Offer

By this Prospectus, the Company offers for subscription up to 175,000,000 Shares at 1 cent per Share to raise up to \$1,750,000.

The Offer comprises:

- (a) a Priority Offer to Shareholders who hold a Marketable Parcel of Shares as at the Record Date;
- (b) a Top Up Offer to Shareholders who hold less than a Marketable Parcel of Shares as at the Record Date; and
- (c) a Public Offer which is open to all investors.

Further information regarding the Priority Offer, Top Up Offer and Public Offer is set out in Sections 5.2 to 5.4 below. The Shares offered under this Prospectus will rank equally with the existing Shares on issue. Rights and liabilities attaching to the Shares are summarised in Section 7.1 of this Prospectus. The purpose of the Offer and the intended use of funds raised are set out in Section 6.1 of this Prospectus.

Only residents of Australia may participate in the Offer. See Section 5.12 for further details.

5.2 Priority Offer

The Company offers Shares under this Prospectus to Shareholders of the Company registered as holding 50,000 or more Shares as at the Record Date (**Priority Offer Shareholders**).

Priority Offer Shareholders will be entitled to apply for Shares under the Priority Offer on the basis of one (1) Share for every four (4) Shares held as at the Record Date (**Entitlement**), with fractional entitlements rounded down to the nearest whole number. Priority Offer Shareholders will receive a personalised Application Form setting out their Entitlement. If any of the Shares available for Shareholders are not applied for by 5:00pm on the Priority Offer Closing Date, those Shares will form part of the Public Offer.

The Company will accept all Applications from Priority Offer Shareholders up to their Entitlement. To the extent that subscriptions from Priority Offer Shareholders exceed their Entitlement, the Directors will treat such Applications for excess Shares as Applications for Shares under the Public Offer.

5.3 Top Up Offer

The Company will offer Shares under this Prospectus to Shareholders of the Company registered as holding less than 50,000 Shares on the Record Date (**Top Up Shareholders**), to increase their holding to a value of at least \$500 (based on a Share price of 1 cent per Share).

Top Up Shareholders will be entitled to subscribe for that number of Shares required to increase the Top Up Shareholder's total shareholding in the Company to 50,000 Shares (**Entitlement**). Top Up Shareholders will receive a personalised Application Form setting out their Entitlement. If any of the Shares available for Top Up Shareholders are not applied for by 5:00pm on the Top Up Offer Closing Date, those Shares will form part of the Public Offer.

The Company will accept all Applications from Top Up Shareholders up to their Entitlement. To the extent that subscriptions from Top Up Shareholders exceed their Entitlement, the Directors will treat such Applications for excess Shares as Applications for Shares under the Public Offer.

5.4 Public Offer

To the extent that less than 175,000,000 Shares are applied for under the Priority Offer and Top Up Offer, those Shares will be available for subscription under the Public Offer.

The Public Offer is a separate offer made pursuant to this Prospectus to both existing Shareholders and new external investors to the Company who shall be treated equally in the allocation of Shares.

The issue price for each Share to be issued under the Public Offer shall be \$0.01 being the price at which Shares have been offered under the Priority Offer and Top Up Offer.

Subject to the above, Applicants should note that the Directors retain an overriding right to do any of the following at their discretion in relation to the Public Offer:

- (a) accept the Application in full;
- (b) accept the Application in respect of a lesser number of Shares than applied for; or
- (c) decline the Application.

Where the number of Shares issued under the Public Offer is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

The Company may also permit the satisfaction of application monies for Shares under the Public Offer by offsetting moneys owed by the Company to creditors of the Company in consideration for the issue of such Shares to such creditors.

5.5 Suspension from ASX and Reinstatement to Quotation

The securities of the Company have been in voluntary suspension since 23 September 2016 and remain suspended as at the date of this Prospectus.

As set out in the Company's recent ASX announcements, the Board has been finalising its recapitalisation of the Company for the purpose of paying existing creditors, funding the evaluation of its current base mineral exploration assets in Scandinavia and funding administrative and working capital purposes in order to reinstate quotation of the Company's securities on ASX (**Reinstatement**).

At a time following completion of the Offer, the Company intends to satisfy the requirements of ASX and apply for Reinstatement. While every endeavour will be made to comply with the requirements set down by the ASX Listing Rules, there can be no guarantee the Company will be able to raise sufficient funds to comply with the requirements of ASX or that the securities will be reinstated to trading on ASX. In the event the Company is unable to comply with the requirements of ASX, the securities will remain suspended from trading on ASX and there will be no market for the Shares.

Although the Company's securities are currently suspended the Company continues to be a disclosing entity for the purposes of the Corporations Act.

Due to the suspension, the highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus is not available as there have been no sales. The last recorded closing sale price of the Shares on ASX prior to the voluntary suspension and lodgement of this Prospectus with the ASIC was \$0.002, which was also prior to 150 for 1 consolidation of the Company's issued capital. This is not a reliable indicator as to the potential value of Shares after implementation of the Offer or reinstatement to trading on ASX.

5.6 Minimum subscription

The minimum amount which must be raised under this Prospectus is \$1,000,000 (**Minimum Subscription**). If the Minimum Subscription has not been raised within 4 months of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

5.7 Applications – Offers

- (a) If you are an eligible shareholder under the terms of the **Priority Offer**, applications for Shares under the **Priority Offer** must be made using the **Priority Offer Application Form** accompanying this Prospectus.
- (b) If you are an eligible shareholder under the terms of the **Top Up Offer**, applications for Shares under the Top Up Offer must be made using **Top Up Offer Application Form** accompanying this Prospectus.

- (c) Applications for Shares under the **Public Offer** must be made using the attached **Public Offer Application Form**.

Payment for the Shares must be made in full at the issue price of 1 cent per Share.

Applicants under the **Priority Offer** may apply for all or part of their Entitlement by filling in the number of Shares they wish to accept in the space provided on the Priority Offer Application Form. Applications under the **Top Up Offer** must be for the Top Up Shareholder's full Entitlement. Any applications for Shares under the **Top Up Offer** that are not for the Top Up Shareholder's full Entitlement will not be processed. Applications under the **Public Offer** must be for a minimum of 50,000 Shares and thereafter in multiples of 50,000 Shares.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company's Share Registry, as follows:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3000

Cheques should be made payable to "**Drake Resources Ltd – Offer Account**" and crossed "Not Negotiable".

Alternatively, payment can be made by electronic means as set out below and in Section 5.8. Completed Application Forms must be at the above address by no later than the Closing Date.

Electronic payments for Shares under the **Public Offer** should be made according to the instructions set out in the **Public Offer Application Form**.

5.8 Payment by BPAY® - Priority Offer and Top Up Offer

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Priority Offer and Top Up Offer may each be closed at an earlier date, and time, at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Priority Offer and Top Up Offer or accept late Applications.

5.9 Brokerage and Handling Fees

Brokerage and/or handling fees on Applications will be payable by the Company to member firms of ASX or licensed investment advisers on such Application Forms bearing their stamp and accepted by the Company.

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

5.10 ASX Listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.11 Issue of Shares under the Offers

The issue of Shares offered by this Prospectus will take place as soon as practicable after the relevant Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Prospectus will be mailed as soon as practicable after their issue.

5.12 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained. Shareholders resident in Australia holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Priority Offer or the Top Up Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5.13 Enquiries

Any questions concerning the Offers should be directed to Julia Beckett, Company Secretary, on +61 8 6141 3500.

6. Purpose and Effect of the Offer

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,750,000, with a Minimum Subscription of \$1,000,000 required.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

| Proceeds of the Offer | Minimum Subscription (\$) (\$1,000,000) | Percentage of Funds (%) | Maximum Subscription (\$) (\$1,750,000) | Percentage of Funds % |
|---|--|--------------------------------|--|------------------------------|
| Expenditure (including exploration expenditure) on European projects and assessment of new opportunities ¹ | \$280,000 | 28% | \$500,000 | 28.57% |
| Corporate administration and overheads | \$100,000 | 10% | \$250,000 | 14.28% |
| Expenses of the Offer and reinstatement costs ² | \$200,000 | 20% | \$250,000 | 14.28% |
| Working Capital ³ | \$420,000 | 42% | \$750,000 | 42.87% |
| Total | \$1,000,000 | 100% | \$1,750,000 | 100% |

Notes:

1. Funds will be allocated to projects based on exploration and development results as they arise, as well as the review and acquisition of new projects.
2. Refer to Section 9.8 of this Prospectus for further details relating to the estimated expenses of the Offer of \$160,000 (assuming full subscription to raise \$1,750,000). Other reinstatement costs are estimated to be approximately \$90,000.
3. Funds will be allocated toward general working capital purposes, to payment of administrative costs as they arise, to payment of fees rendered in respect of the Offer and toward the repayment of monies owed to creditors of the Company.

On completion of the Offer (assuming the Minimum Subscription is reached), the Board believes the Company will have sufficient working capital to achieve these objectives.

The above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration and/or development success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.2 Effect of the Offer

The principal effect of the Offer will be (assuming that the maximum number of Shares are issued) to:

- (a) increase the cash reserves by \$1,500,000 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 137,552,490 as at the date of this Prospectus to 312,552,490 Shares.

6.3 Pro-forma balance sheet

The unaudited balance sheet as at 19 June 2017 (based on the audited balance sheet at 31 December 2016) and the unaudited pro-forma balance sheet as at 19 June 2017 shown below assume completion of the Offer and have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Statement of Financial Position

| | Note | Unaudited 19 June 2017 \$ | Adjustments | Minimum Subscription Unaudited Pro-Forma 19 June 2017 \$ | Adjustments | Maximum Subscription Unaudited Pro-Forma 19 June 2017 \$ |
|-----------------------------------|------|------------------------------------|-------------|---|-------------|---|
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | (1) | 522,224 | 800,000 | 1,322,224 | (2) | 2,022,224 |
| Financial assets | | - | | - | | - |
| Trade and other receivables | | 42,481 | | 42,481 | | 42,481 |
| TOTAL CURRENT ASSETS | | 564,706 | | 1,364,706 | | 2,064,706 |
| NON-CURRENT ASSETS | | | | | | |
| Plant and equipment | | - | | - | | - |
| Exploration and evaluation assets | | 1,079,351 | | 1,079,351 | | 1,079,351 |
| TOTAL NON-CURRENT ASSETS | | 1,079,351 | | 1,079,351 | | 1,079,351 |
| TOTAL ASSETS | | 1,644,057 | | 2,444,057 | | 3,144,057 |
| CURRENT LIABILITIES | | | | | | |
| Trade and other payables | | 129,757 | | 129,757 | | 129,757 |
| Financial liabilities | | - | | - | | - |
| TOTAL CURRENT LIABILITIES | | 129,757 | | 129,757 | | 129,757 |
| TOTAL LIABILITIES | | 129,757 | | 129,757 | | 129,757 |
| NET ASSETS | | 1,514,299 | | 2,314,299 | | 3,014,299 |
| EQUITY | | | | | | |
| Issued capital | (1) | 26,982,207 | 800,000 | 27,782,207 | (2) | 28,482,207 |
| Reserves | (3) | 535,757 | 90,000 | 625,757 | (3) | 625,757 |
| Accumulated losses | | (26,003,664) | | (26,003,664) | | (26,003,664) |
| TOTAL EQUITY | | 1,514,299 | | 2,404,299 | | 3,104,299 |

Notes:

- 1 \$800,000 = Minimum prospectus offer of \$1,000,000 less \$110,000 expenses of the offer and \$90,000 reinstatement costs.
- 2 \$1,500,000 = Maximum prospectus offer of \$1,750,000 less \$160,000 expenses of the offer and \$90,000 reinstatement costs.
- 3 \$90,000 reinstatement costs.

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming completion of the Offer and that no Options are exercised prior to the Record Date, is set out below.

Shares

| | Number (Minimum Subscription) | Number (Maximum Subscription) |
|---|-------------------------------------|----------------------------------|
| Shares currently on issue | 137,552,490 | 137,552,490 |
| Shares offered pursuant to the Offer | 100,000,000 | 175,000,000 |
| Total Shares on issued after completion of the Offer | 237,552,490 | 312,552,490 |

Options

| | Number |
|--|-------------------|
| Options currently on issue: | |
| (Quoted – exercisable at \$4.50 on or before 1 August 2017) | 2,440,266 |
| (Unquoted – exercisable at \$0.03 on or before 5 May 2021) | 14,000,000 |
| (Unquoted – exercisable at \$0.02 on or before 8 June 2021) | 35,000,001 |
| (Unquoted – exercisable at \$0.03 on or before 8 June 2021) | 2,000,000 |
| (Unquoted – exercisable at \$0.02 on or before 13 June 2021) | 17,500,000 |
| Total Options on issue at the date of this Prospectus | 70,940,267 |

The capital structure on a fully diluted basis as at the date of this Prospectus would be 208,492,757 Shares and on completion of the Offer (assuming the maximum number of Shares are issued under the Offer and all Options are exercised prior to the Record date) would be 383,492,757 Shares.

6.5 Details of substantial holders

Based on the Company's shareholder register as at 19 June 2017, the following persons (together with their associates) had a relevant interest in 5% or more of the Shares on issue at the date of this Prospectus:

| Shareholder | Shares | % |
|--|------------|-------|
| Mr Jason Peterson & Mrs Lisa Peterson <J & L Peterson S/F A/C> | 22,000,000 | 15.99 |
| Stevsand Investments Pty Ltd <Steven Formica Family A/C> | 12,116,666 | 8.81 |
| J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund> | 12,000,000 | 8.72 |
| Stemyn Investments Pty Ltd | 9,000,000 | 6.54 |

7. Rights and Liabilities attaching to Shares

7.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so

divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

8. Risk Factors

8.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Company specific risks

(a) ASX suspension

As set out in Section 5.5, the Company's securities are currently suspended from trading on ASX. As such, there is no market for Shares and the Shares offered pursuant to this Prospectus are highly illiquid.

(b) Reinstatement to trading on ASX

At a time following completion of the Offer, the Company intends to satisfy the requirements of ASX and apply for the reinstatement to trading of its securities on ASX. While every endeavour will be made to comply with the requirements set down by the ASX Listing Rules, there can be no guarantee the Company will be able to comply with the requirements of ASX or that the Shares will be reinstated to trading on ASX. In the event the Company is unable to comply with the requirements of ASX, the Shares will remain suspended from trading on ASX and there will be no readily available market for Shares

(c) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 137,552,490 currently on issue to 312,552,490. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.002 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(d) Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(e) Exploration success

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(f) **Potential transactions with third parties**

The Company is continually evaluating opportunities to add value for Shareholders. Any future strategic investment or acquisition may be subject to various risks depending on the nature and size of the transaction.

(g) **Sovereign risk**

The Company's key existing projects are located in Norway and Sweden. Possible sovereign risks associated with operating in those countries include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its securities. No assurance can be given regarding future stability in Norway or Sweden or any other country in which the Company may, in the future, have an interest.

8.3 Industry specific risks

(a) **Title risks**

Interests in tenements are governed by the respective legislation in the jurisdiction in which the Company's tenements are located, and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

(b) **Environmental risks**

The operations and proposed activities of the Company are subject to the laws and regulation of all jurisdictions in which the Company is operating concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

8.4 General risks

(a) **Additional requirements for capital**

Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its activities and potential development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders. The Company is exposed to risks associated with its financial instruments, cash, receivables, accounts payable and accrued liabilities due to third parties from time to time. This includes the risk that a third party to a financial instrument fails to meet its contractual obligations, the risk that the Company will not be able to meet its financial obligations as they fall due and the risk that market prices may vary which will affect the Company's financial position and prospects.

Additional funding will be required in the event costs exceed the Company's estimates and also to effectively implement business and operations plans in the future, to take advantage

of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional financing will be required. The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) **Forecasts**

The Directors consider that it is not possible to accurately predict the future revenues or profitability of the Company or whether any revenues or profitability will eventuate. The business of the Company is dependent upon a number of factors and many of these factors are outside the control of the Company. Consequently, the Company, and the Directors do not make any forecast or representation in relation to the Company's future financial position or performance.

(c) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential development programmes, as well as on their ability to fund those activities.

(d) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(e) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders arising from the Offer or any other event or occurrence.

(f) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the Directors leaves the Board.

8.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. Additional Information

9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company’s latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date | Description of Announcement |
|------------|--|
| 19/06/2017 | Change of Directors' Interest Notice |
| 14/06/2017 | Appendix 3B |
| 13/06/2017 | Change of Director's Interest Notice x 2 |
| 08/06/2017 | Update on Recapitalisation |
| 08/06/2017 | Appendix 3B |
| 07/06/2017 | Initial Director's Interest Notice x 2 |
| 01/06/2017 | Appointment of Directors and Company Secretary |
| 01/06/2017 | Appendix 3B - Amended |
| 08/05/2017 | Appendix 3B / Change of Directors Interest Notice x 2 |
| 28/04/2017 | Quarterly Activities Report and Quarterly Cashflow Report |
| 07/04/2017 | Confirmation of AGM Results |
| 05/04/2017 | Results of Annual General Meeting |
| 04/04/2017 | Update - Consolidation/Split - DRK |
| 04/04/2017 | Consolidation/Split - DRK |
| 13/03/2017 | Half Year Accounts |
| 10/03/2017 | Resignation of Directors |
| 06/03/2017 | Operations Update |
| 06/03/2017 | Notice of Annual General Meeting/Proxy Form |
| 01/03/2017 | Update on Dispute with Trinity Corporate |
| 01/03/2017 | Requisition of Meeting Under Section 249D Corporations Act |
| 15/02/2017 | Initial Director's Interest Notice |
| 10/02/2017 | Board Appointment and Company Update |
| 31/01/2017 | Quarterly Activities Report and Quarterly Cashflow Report |
| 28/12/2016 | Appendix 3B |
| 28/12/2016 | Completion of Tranche 1 Funding Facility |
| 28/11/2016 | Change of Address |
| 18/11/2016 | Appendix 4G |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.drakeresources.com.au.

9.3 Market price of Shares

On 21 September 2016, the Company requested a trading halt pending an announcement regarding the status of the Genome transaction. The Company's securities were subsequently suspended on 23 September 2016 and remain suspended as at the date of this Prospectus. Accordingly, there have been no sales of the Shares during the three months immediately preceding the date of lodgement of this Prospectus with ASIC.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the suspension of the Company's Shares were:

| | | |
|----------------|---------|--------------------------|
| Highest | \$0.003 | 20 June and 21 June 2016 |
| Lowest | \$0.001 | 1 September 2016 |
| Last | \$0.002 | 19 September 2016 |

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.002 per Share on 19 September 2016, which was also prior to the 150 for 1 consolidation of the Company's issued capital.

These are not reliable indicators as to the potential value of Shares after implementation of the Offer or reinstatement to trading on ASX.

9.4 Material contracts

There are no material agreements which relate to the Offer that have not been disclosed by the Company. The Company will keep the market informed of any material contracts or proposals in accordance with its continuous disclosure obligations.

9.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security Holdings

The interest of the Directors in the securities of the Company as at the date of this Prospectus are as follows:

| Director | Shares | Options |
|----------------|---------|------------------------|
| Eddie King | - | 700,000 ¹ |
| Sara Kelly | 182,666 | 3,000,000 ² |
| Jay Stephenson | 17,340 | 3,517,004 ³ |
| James Scovell | - | 3,000,000 ² |

Notes:

1. Options are exercisable at \$0.03 on or before 5 May 2021.
2. 2,000,000 Options are exercisable at \$0.02 on or before 6 June 2021 and 1,000,000 Options are exercisable at \$0.03 on or before 6 June 2021.
3. 17,004 Options are exercisable at \$4.50 on or before 1 August 2017 and 3,500,000 Options are exercisable at \$0.03 on or before 5 May 2021.

At the General Meeting, the Company obtained Shareholder approval for Mr Jay Stephenson (or his nominee/s) to take up to 10,000,000 Shares under the Offer. Mr Stephenson currently intends for his nominee/s to subscribe for the full amount of these Shares under the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to Directors.

| Director | 2015/16 | 2016/17 | Proposed 2017/18 |
|-----------------------------|---------|---------|------------------|
| Jay Stephenson ¹ | Nil | \$2,500 | \$30,000 |
| Eddie King ² | Nil | \$2,500 | \$30,000 |
| Sara Kelly ^{3, 4} | Nil | \$2,500 | \$30,000 |
| James Scovell ⁵ | Nil | \$2,500 | \$30,000 |

Notes:

1. From 1 June 2017, Mr Stephenson will receive a director's fee of \$2,500 (plus GST) per month and has agreed that all director fees owed to him prior to this date are to be written off.
2. Appointed 10 February 2017. From 1 June 2017, Mr King will receive a director's fee of \$2,500 (plus GST) per month and has agreed that all director fees owed to him prior to this date are to be written off.
3. Appointed 1 June 2017.
4. Ms Kelly is a Partner at Edwards Mac Scovell, Edwards Mac Scovell will receive \$20,000 (plus GST) for costs associated with the Offers. Edwards Mac Scovell has received \$35,000 (plus GST) as at the date of this Prospectus for legal services provided to the Company.
5. Appointed 1 June 2017.

9.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Computershare Investor Services Pty Limited (**Computershare**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to processing of Applications received pursuant to this Prospectus. The Company estimates it will pay Computershare approximately \$10,000 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Computershare has been paid fees totalling \$51,285.64 (excluding GST and disbursements) for share registry services provided to the Company.

Edwards Mac Scovell has acted as the Australian solicitors to the Company in relation to the Offer. The Company estimates it will pay Edwards Mac Scovell \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Edwards Mac Scovell has been paid fees totalling \$35,000 (excluding GST and disbursements) for legal services provided to the Company.

9.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Computershare given its written consent to being named as share registry to the Company in this Prospectus. Computershare has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Edwards Mac Scovell has given its written consent to being named as the solicitors to the Company in this Prospectus. Edwards Mac Scovell has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.8 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$160,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

| Costs of the Offer | Minimum Subscription \$ | Full Subscription \$ |
|--|--|-------------------------------------|
| ASIC fees | 2,350 | 2,350 |
| ASX fees | 5,187 | 7,344 |
| Legal fees | 20,000 | 20,000 |
| Computershare fees | 10,000 | 10,000 |
| Printing, distribution and miscellaneous | 12,463 | 15,306 |
| Capital Raising Fees | 60,000 | 105,000 |
| Total | 110,000 | 160,000 |

9.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 6141 3500 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.drakeresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

10. Director's Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC, and has not withdrawn that consent.

Signed for and on behalf of the Company on 20 June 2017.



Jay Stephenson
Director
For and on behalf of
Drake Resources Ltd

11. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

Applicant or Application means a Shareholder or other party who applies for Shares pursuant to the Offers.

Application Form means the Priority Offer Application Form, the Top Up Offer Application Form or the Public Offer Application Form as the case determines attached to or accompanying this Prospectus relating to the relevant Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the Public Offer Closing Date or the Priority Offer and Top Up Offer Closing Date, as the context requires.

Company means Drake Resources Ltd (ACN 108 560 069).

Computershare means Computershare Investor Services Pty Ltd (ACN 078 279 277).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder to participate in the Priority Offer or Top Up Offer.

General Meeting means the general meeting of Shareholders to be held on 5 April 2017.

Marketable Parcel means, for the purposes of this Prospectus, a parcel of 50,000 Shares, as at the Record Date.

Minimum Subscription means \$1,000,000 as set out in Section 5.6 of this Prospectus.

Offer means any or all of the Priority Offer, the Top Up Offer and the Public Offer, as the context requires, and **Offers** refers to the Priority Offer, the Top Up Offer and the Public Offer together.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Priority Offer means the offer of Shares to Priority Shareholders on the terms set out in Section 5.2.

Priority Offer and Top Up Offer Closing Date means the closing date of the Priority Offer and Top Up Offer being 5.00pm WST 30 June 2017 (as applicable), subject to these dates being extended, or the Priority Offer and Top Up Offer being closed early.

Priority Offer Application Form means the Priority Offer application form attached to or accompanying this Prospectus relating to the Priority Offer.

Priority Shareholder means a person registered as the holder of 50,000 or more Shares on the Record Date.

Prospectus means this prospectus.

Public Offer means the offer of any Shares remaining after allocation of the Priority Offer and Top Up Offer on the terms set out in Section 5.4.

Public Offer Closing Date means the closing date of the Public Offer being 5.00pm WST 30 June 2017 (as applicable), subject to these dates being extended, or the Public Offer being closed early.

Public Offer Application Form means the Public Offer application form attached to or accompanying this Prospectus relating to the Public Offer.

Record Date means the record date for determining entitlements to participate in the Priority Offer and the Top Up Offer, being 5.00pm WST 20 June 2017.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Top Up Offer means the offer of Shares to Top Up Shareholders on the terms set out in Section 5.3.

Top Up Offer Application Form means the Top Up Offer application form attached to or accompanying this Prospectus relating to the Top Up Offer.

Top Up Shareholder means a person registered as the holder of less than 50,000 Shares on the Record Date.

WST means Western Standard Time as observed in Perth, Western Australia.