



## QUARTERLY ACTIVITIES REPORT 31 March 2018

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**Drake Resources Limited (Drake or Company)** presents this Quarterly Activities Report for the quarter ended 31 March 2018.

On 15 March 2018 the Company announced the results of the General Meeting held that day. All resolutions were passed by the requisite majority of security holders and all resolutions were decided on a show of hands.

The Half Year Accounts for the period ending 31 December 2017 were reported on 14 March 2018.

### **Existing Projects**

Drake continues to hold and assess its exploration assets in Norway and Sweden.

### **Post Quarter**

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, has extensive nickel sulphide experience and is encouraged by the information and results to date. Geolithic's main objective is to determine the extent and controls on the Ni-Cu-Co mineralisation at Granmuren. Drake aims to identify priority drill targets positions as well as additional target zones within the project area, with the objective of targeting sufficient mineralisation to produce a Ni-Cu-Co resource at Granmuren.

Drake made a greenfields nickel, copper, cobalt discovery in 2011/2012 at Granmuren which is located to the NW of Stockholm in the Bergslagen district of Sweden. The Bergslagen district has a very long and significant mining history and has excellent infrastructure with rail, road and power nearby. Scandinavia and the adjoining Karelia Province in north-west Russia is one of the major nickel-copper provinces of the world. Granmuren is an extension of the Svecofennian Province which has played a long and significant part of Finland's smelting and refining success.

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

# 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)

**31 March 2018**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 Months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for:	-	-
(a) exploration and evaluation	(33)	(165)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(74)	(367)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
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	(7)	(102)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(112)</b>	<b>(630)</b>
<b>2. Cash flows from investing activities</b>		
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	-	-
(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 Months) \$A'000</b>
<b>3. Cash flows from financing activities</b>		
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	-	(105)
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 (provide details if material)	-	(23)
<b>3.10 Net cash from / (used in) financing activities</b>	-	1,622
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,628	524
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(112)	(630)
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)	-	1,622
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>1,516</b>	<b>1,516</b>
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	79	193
5.2 Call deposits	1,437	1,435
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter</b> (should equal item 4.6 above)	<b>1,516</b>	<b>1,628</b>
<b>6. Payments to directors of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2		36
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 fees	
<b>7. Payments to related entities of the entity and their associates</b>		<b>Current quarter \$A'000</b>
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		

<b>Consolidated statement of cash flows</b>		Current quarter \$A'000	Year to date (9 Months) \$A'000
<b>8. Financing facilities available</b> Add notes as necessary for an understanding of the position		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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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<b>9. Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	100
9.2 Development	
9.3 Production	
9.4 Due Diligence	
9.5 Administration and corporate costs	125
9.6 Other (provide details if material):	
<b>9.7 Total estimated cash outflows</b>	<b>225</b>

<b>10. Changes in tenements</b> (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	Berga nr 1 – Sweden	Direct	0	100

### 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: 30 April 2018

Company Secretary

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 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.