



31 January 2017

## Quarterly Activities Report December 2016

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Drake Resources Limited (ASX Code: DRK) (Drake or the Company) presents this Quarterly Activity Report for the quarter ended 31 December 2016.

Following on from the unsuccessful acquisition of Genome Technologies Limited, the Company investigated a number of possible corporate actions.

On 18 November 2016, the Company announced that it had entered into agreements with Empire Capital Partners Pty Ltd to facilitate a medium term financing and recapitalisation of the Company.

The total amount of the facility is \$1,150,000 which will be received over three tranches. The amount repayable under the facility is \$1,350,000.

Details of the financing are found in the 18 November announcement.

On 28 December 2016, the Company announced that the initial tranche of \$150,000 of the Funding facility was complete.

### **Existing Projects**

Drake continues to hold its exploration assets and rights to exploration licenses across the Nordic region. There has been in excess of \$2.4 million spent on these Projects by the Company and its previous joint venture partners. The Company has spent over \$500,000 on the Projects in the last 12 months. Throughout the Genome transaction process, Drake maintained the Projects and identified the next exploration steps for each of the Projects. Following completion of the funding facility, Drake intends to undertake the next exploration steps.

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

ntroduced 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 December 2016**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 Months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for:	-	-
(a) exploration and evaluation	(14)	(21)
(b) development	-	-
(c) Compliance costs	(11)	(63)
(d) Due diligence	-	(74)
(e) administration and corporate costs	(29)	(69)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	0	0
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	19	19
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(35)</b>	<b>(208)</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	-	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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>146</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 Months) \$A'000</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	150	150
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(50)	(61)
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>100</b>	<b>89</b>
<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	89	127
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(35)	(208)
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)	100	89
4.5 Effect of movement in exchange rates on cash held	0	0
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>154</b>	<b>154</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	154	89
5.2 Call deposits	-	-
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>154</b>	<b>89</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	0	
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		
<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	13	
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>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.	

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	20
9.2 Development	
9.3 Production	
9.4 Due Diligence	
9.5 Administration and corporate costs	30
9.6 Other (provide details if material): Legal	
<b>9.7 Total estimated cash outflows</b>	<b>50</b>

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

**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.



Signed: \_\_\_\_\_ Dated: 31 January 2017

Company Secretary

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.