



22 January 2015

ASX ANNOUNCEMENT

PROPOSED RENOUNCEABLE ENTITLEMENT ISSUE

Drake Resources Limited (DRK or the Company) is pleased to advise that it proposes to undertake a renounceable, fully underwritten entitlement issue of shares.

Under the terms of the issue, shareholders will be able to subscribe for one and one half (1.5) New Shares for every one (1) share held at the record date at an issue price of \$0.005 per share (together with one (1) free attaching New Option for every one (1) New Share subscribed for and issued)

The offer will raise up to approximately \$1.82 million and will result in the issue of an additional 364,283,823 New Shares. The proceeds from the entitlement issue will be used for the potential investment in or acquisition of exploration and mining assets, maintenance of current projects, providing funds to increase the Company's working capital and to cover the expenses of the Offer.

A prospectus is currently being prepared by the Company and the timetable and full details of the entitlement issue will be contained in that disclosure document, which is proposed to be lodged on or around 28 January 2015. Further details of the offer will be set out within the prospectus. The offer is not subject to shareholder approval.

Jay Stephenson

COMPANY SECRETARY