



ASX Announcement

24 July 2013

## Strategy Update

- **Maintain Nordic Focus in 2013**
- **Re-balance of commodity mix**
- **Release low priority permits to reduce costs**
- **Expressions of Interest in participating in Rights Issue Shortfall**

Drake has been encouraged by the response to the recent rights issue and expressions of interest in the associated shortfall<sup>1</sup>. Drake's CEO, Jason Stirbinskis commented "We are grateful to our loyal shareholders and potential new investors who have mandated Drake to progress the priority assets and continue to allocate resources prudently.

Drake has made considerable progress in its strategy that commenced March 2013, with the fresh funds the Company is now able to articulate a more detailed path forward (Table 1 below)."

Action	Timing	Comment
Ground Geophysics at Joma copper prospect	Q3	To identify drill ready targets
Regional work at Granmuren nickel / copper permits	Q3	Field work to assess potential for satellite deposits
Granmuren structural model	Q4	Preparation for winter drill program
Ground geophysics at Espedalen nickel / copper project	Q4	Part of broader ongoing assessment including historic data mining
Soil sampling at Seimana gold prospect	Q4	To identify targets for drilling
Withdrawal of all pending applications for licences in Finland	Q3	To avoid substantial approaching grant fees
Exit Samekouta project – Senegal	Q3	Low priority project with substantial fees
Sale of Gryksbo <sup>2</sup>	Q2	Minor satellite licence in central Sweden.
Early preparation work for activity being considered at Lokken and Nordgruva	Q3	Part of the asset suite within the Panoramic/Drake JV.

Mr Stirbinskis added “The critical review and research over the last six months has enabled Drake to prioritise assets and make bold but considered decisions. The key results are –

- a leaner company able to invest a greater proportion of funds to progress some of our most promising assets –Granmuren, Espedalen and Joma in Scandinavia and the very exciting Seimana project in Guinea.
- a re-balanced commodity mix retaining priority assets across copper, nickel and gold.
- a substantial H2 2013 exploration program focussed on preparing key assets for 2014 drilling programs and other significant activity.
- The release of low priority assets and pending applications will save the company substantially more than \$1M in licences and other non-value adding expenses.
- an improved understanding of Drake’s assets enables management to focus on priority targets and confidently reduce licence footprints with the potential to net material savings at renewal fee anniversaries”.

Drake is currently calling for expressions of interest in participating in the shortfall allocation from the recently completed Rights Issue. Please contact Jay Stephenson for more details.

### **For further information, please contact:**

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1. *The Shortfall shall be placed at the discretion of the Company. The Company reserves the right to allot to an Applicant a lesser number of Shortfall Securities than the number for which the Applicant applies or to reject an application. Please refer to the prospectus for further detail.*
2. *A Drake non-strategic asset. Unconditional sale for AUD\$~19,000 completed early July.*

### **Competent Persons Statement**

*James Merrillees has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Mr Merrillees as a Competent Person as defined in the 2004 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Merrillees is a full-time employee of Drake and consents to the inclusion in the Announcement of the matters based on his information in the form and context in which it appears. Mr Merrillees is a member of the Australian Institute of Mining and Metallurgy.*

### **Caution Regarding Forward Looking Information.**

*This document contains forward looking statements concerning Drake. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Drake’s beliefs, opinions and estimates of Drake as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments*



**About Drake Resources Limited**

Drake Resources (DRK) is an Australian gold and base metals explorer with advanced and highly prospective projects in resource-rich Scandinavia and West Africa. Projects in Scandinavia focus on nickel and copper and include nickel deposits at Espedalen in Norway, a new nickel-copper discovery at Granmuren in Sweden, and significant remaining mineralisation in the Joma copper-zinc mine. Drake’s aim is to be a successful and profitable mining company delivering strong shareholder value by taking robust projects through to mining, or realising their value at optimal times through merger and acquisition programs.

**Company Assets**

**Sweden**

- Granmuren - Nickel
- Bergslagen JV - Copper
- Orsen - Copper/Magnetite
- Lainejaur - Copper

**Finland**

- Kittila - Gold

**Norway**

- Espedalen - Nickel
- Joma – Copper-Zinc
- Løkken JV – Copper
- Nordgruva JV - Copper
- Sulitjelma JV - Copper
- Kautokeino - Gold
- Karasjok - Gold

**West Africa**

- Tasiast South – Gold
- Hendrix- Gold
- Seimana - Gold