

**30 April 2009**

**Quarterly Cash Flow**

Please find attached the quarterly Cash Flow for the March 2009 quarter.

The Company has recently announced two actions that are not reflected in the quarterly cash flow, however will have a significant positive impact in the funding of its future activities.

**Drake has signed an agreement with Royal Falcon Mining LLC for the exploration of Falun and Bersbo Projects in Sweden.**

The main elements of the agreement include:

- Royal Falcon must spend US\$3 million to earn a 51% interest in the Falun and Bersbo Projects. Royal Falcon can withdraw from the agreement after spending a minimum of US\$1.0 million; Drake retains a 100% interest in the Projects until the US\$3 million is expended.
- Royal Falcon can elect to spend a further US\$3 million to earn an additional 24% interest in the Falun and Bersbo Projects.
- If Drake's project interest falls below 5% then its interest will revert to a 2% Net Smelter Royalty ("NSR") on production from the Projects.
- Exploration is expected to commence in near future.

**Rex Minerals Ltd has advised Drake that it will be exercising the option to purchase 100% of the Mt Carrington Project**

Under the revised terms of the Option Agreement total consideration for the sale of the Mt Carrington Project is as follows:

- Total cash consideration of \$600,000; \$350,000 is now to be paid with the exercise of the option and the balance is payable on transfer of the tenements to Rex
- 2.0 million Rex Shares, payable on transfer of the tenements to Rex
- Rex is to assume the bond and liabilities associated with the mining leases and exploration licences.

Yours sincerely



Jay Stephenson  
Company Secretary

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Drake Resources Limited - DRK

ABN

12 108 560 069

Quarter ended ("current quarter")

March 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 9 Months \$A'000
1.1 Receipts from product sales and related debtors	1	13
1.2 Payments for (a) exploration and evaluation	(16)	(485)
(b) development		
(c) production		
(d) administration	(116)	(431)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	12
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) – Contributions from Alliance Partners	46	481
<b>Net Operating Cash Flows</b>	<b>(83)</b>	<b>(410)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	(83)	(410)

+ See chapter 19 for defined terms.

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**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(83)	(410)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc. net of costs		230
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	-	230
<b>Net increase (decrease) in cash held</b>			
		(83)	(180)
1.20	Cash at beginning of quarter/year to date	324	421
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	241	241

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	57
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salary of Managing Director plus Director fees to Non Executive Directors

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	
<b>Total</b>	-

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4	55
5.2 Deposits at call	237	269
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	241	324

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	37,150,000	37,150,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	540,000 800,000 27,275,000	27,275,000	<i>Exercise price</i> 25 cents 25 cents 20 cents	<i>Expiry date</i> 31 March 2011 31 March 2012 31 Dec 2009
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				

+ See chapter 19 for defined terms.

7.11	<b>Debentures</b> <i>(totals only)</i>			
7.12	<b>Unsecured notes</b> <i>(totals only)</i>			

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....

Date: 30 April 2009

(Director/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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

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- 5      **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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