

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Drake Resources Limited - DRK

ABN

12 108 560 069

Quarter ended ("current quarter")

December 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 6 Months \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(358)	(520)
(b) development		
(c) production		
(d) administration	(100)	(208)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	22	37
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(435)	(690)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		(43)
(b) equity investments		(2)
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments	95	95
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	95	50
1.13 Total operating and investing cash flows (carried forward)	(340)	(640)

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1.13	Total operating and investing cash flows (brought forward)	(340)	(640)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. net of costs		(19)
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)		
	Net financing cash flows		(19)
	Net increase (decrease) in cash held	(319)	(319)
1.20	Cash at beginning of quarter/year to date	1,963	2,282
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,623	1,623

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	49
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Managing Director and Director Fees

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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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		
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Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	
Total	200

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	143	213
5.2 Deposits at call	1,480	1,750
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,623	1,963

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			

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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 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	30,000,000	30,000,000	20cents	
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,250,000 1,000,000		<i>Exercise price</i> 30 cents 25 cents	<i>Expiry date</i> 1 July 2008 30 June 2008
7.8 Issued during quarter	2,500,000		25 cents	30 June 2008
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.

- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 31 January 2006

Print name: Jay Stephenson