

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")

December 2009

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	50	78
1.2	Payments for (a)exploration and evaluation	(566)	(897)
	(b) development		
	(c) production		
	(d) administration	(175)	(282)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	11	13
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material) – Contributions from Alliance/JV Partners	581	584
Net Operating Cash Flows		(99)	(504)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects		
	(b)equity investments		
	(c) other fixed assets	(11)	(11)
1.9	Proceeds from sale of:		
	(a)prospects	300	300
	(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)		
Net investing cash flows		289	289
1.13	Total operating and investing cash flows (carried forward)	190	(215)

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1.13	Total operating and investing cash flows (brought forward)	190	(215)
1.14	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	2,036	2,997
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	2,036	2,997
	Net increase (decrease) in cash held	2,226	2,782
1.20	Cash at beginning of quarter/year to date	1,370	814
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,596	3,596

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	73
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

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

+ 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	400
4.2 Development	
Total	400

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	229	22
5.2 Deposits at call	791	1,348
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,367	1,370

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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	E 28 / 1610	Sold	80%	20%
	P 40 / 1119	Expired	100%	0%
	P 40 / 1120	Expired	100%	0%
	P 40 / 1121	Expired	100%	0%
	P 40 / 1122	Expired	100%	0%
	P 40 / 1123	Expired	100%	0%
	P 40 / 1129	Expired	100%	0%
	EL6273	Sold	90%	0%
	EL 6452	Sold	100%	0%
	EL 6453	Sold	100%	0%
	GL 5477	Sold	100%	0%
	GL 5478	Sold	100%	0%
	ML 5444	Sold	100%	0%
	ML 5883	Sold	100%	0%
	ML 6004	Sold	100%	0%
	ML 6006	Sold	100%	0%
	ML 6242	Sold	100%	0%
	ML 6291	Sold	100%	0%
	ML 6295	Sold	100%	0%
	ML 6335	Sold	100%	0%
	MPL 1345	Sold	100%	0%
	SL 409	Sold	100%	0%
	SL 471	Sold	100%	0%
	SL 492	Sold	100%	0%
	ML 1147	Sold	100%	0%
	ML 1148	Sold	100%	0%
	ML 1149	Sold	100%	0%
	ML 1150	Sold	100%	0%
	ML 1200	Sold	100%	0%
	MPL 24	Sold	100%	0%
	MPL 256	Sold	100%	0%
	MPL 259	Sold	100%	0%
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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	52,729,231	52,729,231		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,290,786	10,290,786		
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	540,000 800,000 3,500,000		Exercise price 25 cents 25 cents 34 cents	Expiry date 31 March 2011 31 March 2012 1 September 2011
7.8 Issued during quarter	3,500,000		34 cents	1 September 2011
7.9 Exercised during quarter	10,290,786	10,290,786	20 cents	31 Dec 2009
7.10 Expired during quarter	16,984,214	16,984,214	20 cents	31 Dec 2009
7.11 Debentures (totals only)				

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7.12	Unsecured notes (<i>totals only</i>)		
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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 [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: 29 January 2010
(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.
- 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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