



Drake signs HOA on Guinea gold

- **Drake has entered a binding heads of agreement in which Martineau Mining can earn an interest in Drake's Seimana Project through exploration expenditure**
 - **Martineau to spend \$2M over next 2 years**
 - **Drake to retain up to 60% depending on Martineau's expenditure**
 - **Drake will receive a 1% royalty on all gross revenue**
 - **Drake to retain 100% of Project if Martineau fails to complete \$2 million funding**
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Drake Resources Limited (Drake) has entered into a binding heads of agreement (HOA) with Martineau Mining Pty Ltd, a private company based in Perth, to fund exploration activity at Drake's Seimana permits in Guinea. Key terms of the HOA include:

- Martineau can earn an initial 40% shareholding in the vehicle holding Drake's Seimana interests through project expenditure of not less than AUD\$2M within 2 years.
- If Martineau fails to spend \$2 million within the required period, 100% of the Project reverts to Drake.
- Martineau can progressively earn up to an additional 20% shareholding by funding an additional AUD\$2M within the following 2 year period.
- After completion of the earn-in periods additional funding will be pro rata basis
- Initial \$2m of expenditure by Martineau to include reimbursement of Drake's 2014 Seimana project expenditure.
- Drake will receive a production royalty equal to 1% of Gross Revenue net of refining costs.

The HOA is conditional on Martineau securing appropriate funding within 45 days of execution and is also subject to Drake shareholder approval if required.

The agreement with Martineau comes at an interesting time in the advancement of the Guinea assets. Drake recently announced very encouraging rock chip gold assays¹ which, when combined with the very favourable geological setting - a multi-million ounce gold district, suggests Seimana could evolve into a significant gold discovery.

Drake's CEO, Jason Stirbinskis said "Under this agreement, Drake can now advance the Guinea project with minimal corporate downside risk and at an expenditure pace worthy of the initial encouraging results.

At the end of this HOA term Drake could be a 40% shareholder of a significant gold project for what has been a very modest investment to date".

Martineau Mining is headed by Richard Burden, former CFO of LionOre who later became involved in the formation and listing of Ampella Mining and Dampier Gold, and Greg Durack former CEO of Jupiter Mines and current Non-executive Director of Thor Mining PLC. Mr Burden commented "Martineau's strategy involves a focussed effort on progressing the Seimana project initially via a private vehicle to maximise funding directed to in-ground activity to the benefit of Drake and Martineau. Our immediate priority is securing capital to close the transaction."

Notes:

1: See announcement "Spectacular gold assays at Seimana Project". Link to announcement <http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1418-32397712/SpectaculargoldassaysatSeimanaProject>

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