drake resources

L4 66 Kings Park Road
West Perth WA 6005
P: +61 8 6141 3585
F: +61 8 6141 3599
E: info@drakeresources.com.au

31 July 2015

Quarterly Activities Report
June 2015

- **Round two drilling at Seimana reveals additional, wide spread gold**
- **Sulitjelma EM assessment clearly defines 6 priority, copper/zinc massive sulphide targets**
- **Entitlement issue and shortfall placement raises ~$1.8M**

Overview

On the back of an injection of new funds via an entitlement issue and shortfall placement, Drake immediately commenced round two drilling at Seimana with results revealing substantial and widespread gold occurrences through the area.

With its JV partner, Panoramic Resources, Drake retuned to Sulitjelma in the quarter to conduct EM over VTEM targets. The EM exercise not only confirmed the potential of the six targets to represent massive sulphide mineralisation but some targets were also enhanced by the new data.

Drake will return to Sulitjelma in Q3 for field mapping at some of the targets as a precursor to drilling. The company has also announced a Q3 EM program at its Bergslagen portfolio investigating the potential for repeats of its Bergslagen Granmuren nickel sulphide discovery. Drake also continues to consider other opportunities to complement its broader corporate strategy.

Seimana Gold Prospect - Guinea

Drake's second round of drilling at its Seimana gold prospect in Guinea involved 1250m RC drilling for 14 relatively shallow holes testing 6 prospects within the 440 km^2 of exploration permits held by the company. In total Drake has now drilled 31 holes (table 1) totalling 3000m at only 9 of the 40 gold targets currently identified.

The recent drilling included 18 intersections greater than 1 g/t gold (over at least 1 metre) in 10 holes on 5 of the prospects drilled, further demonstrating that this area of the Birrimian has experienced significant gold bearing fluids moving through it leading to the abundant mineralisation across such a large area (fig 1).

Of particular note were results from Kroudaoulen and Tamdian which are showing potential for continuity of grade over reasonable lengths and shallow depths with the latter showing alignment and structural similarities to the Koulekoun deposit (2M+oz) to its south.

The Seimana project lies within the Birrimian age Siguiri Basin which hosts at least ten +1 million ounce gold resources, including the +5 million ounce deposits of Siguiri and Lero (fig 2). The +2 million ounce Koulekoun deposit, which is part of the Tri-K project, lies along strike 7km to the south of Drake's permits. The +0.5Moz Mandiana-Magana deposits lie 12 km to the east in similar geological settings.

Target	Hole	From (m)	To (m)	Width (m)	Gold (g/t)
Kroudaoulen	**KRDRC01**	**34**	**35**	**1**	**3.0**
	KRDRC02	**18**	**25**	**7**	**2.6**
	incl	*22*	*25*	*3*	*5.1*
		66	**69**	**3**	**3.5**
	15KRDRC04	**18**	**21**	**3**	**4.4**
	15KRDRC05	**48**	**49**	**1**	**1.0**
		54	**56**	**2**	**1.1**
		62	**63**	**1**	**1.0**
		74	**75**	**1**	**1.3**
		83	**84**	**1**	**1.3**
Tamdian	**TAMRC001**	**50**	**54**	**4**	**19.8**
	incl	*51*	*52*	*1*	*52.6*
	TAMRC002	**34**	**41**	**7**	**1.6**
	incl	*40*	*41*	*1*	*8.1*
		59	**67**	**8**	**1.8**
	incl	*61*	*66*	*5*	*2.6*
	15TAMRC004	**38**	**40**	**2**	**1.8**
		44	**46**	**2**	**7.0**
	15TAMRC005	**70**	**70**	**1**	**1.1**
	15TAMRC006	**48**	**49**	**1**	**1.4**
		65	**70**	**5**	**1.9**
	incl.	*67*	*69*	*2*	*3.7*
	incl.	*68*	*69*	*1*	*6.1*
Bananikoro	**15BANRC01**	**56**	**57**	**1**	**4.2**
		67	**70**	**3**	**1.3**
	15BANRC02	**20**	**21**	**1**	**8.8**
Kroufilate	**KROUFRC01**	**36**	**46**	**10**	**2.6**
	KROUFRC02	**55**	**69**	**14**	**1.7**
	incl	*55*	*60*	*5*	*2.0*
		66	**69**	**3**	**3.5**
	15KRFRC03	**3**	**4**	**1**	**1.7**
	15KRFRC04	**30**	**31**	**1**	**1.1**
		32	**33**	**1**	**1.4**
Bougnegbesse	**15BOURC02**	**11**	**12**	**1**	**1.2**
Kotromakolen	**KOTRC001**	**26**	**29**	**3**	**5.6**
	incl	*29*	*30*	*1*	*16.0*
		39	**40**	**1**	**3.9**
	KOTRC002	**29**	**30**	**1**	**1.2**
		48	**49**	**1**	**1.0**

Table One: *Significant results from the 2014 (orange) and 2015 (black) RC drilling at Seimana.*

With positive drilling results on most of the targets tested to date, and with many more targets still to test, Drake intends to, prior to further drilling, carry out geophysical work over the permits to help prioritise drilling targets with the best potential for large and continuous near surface gold mineralisation.

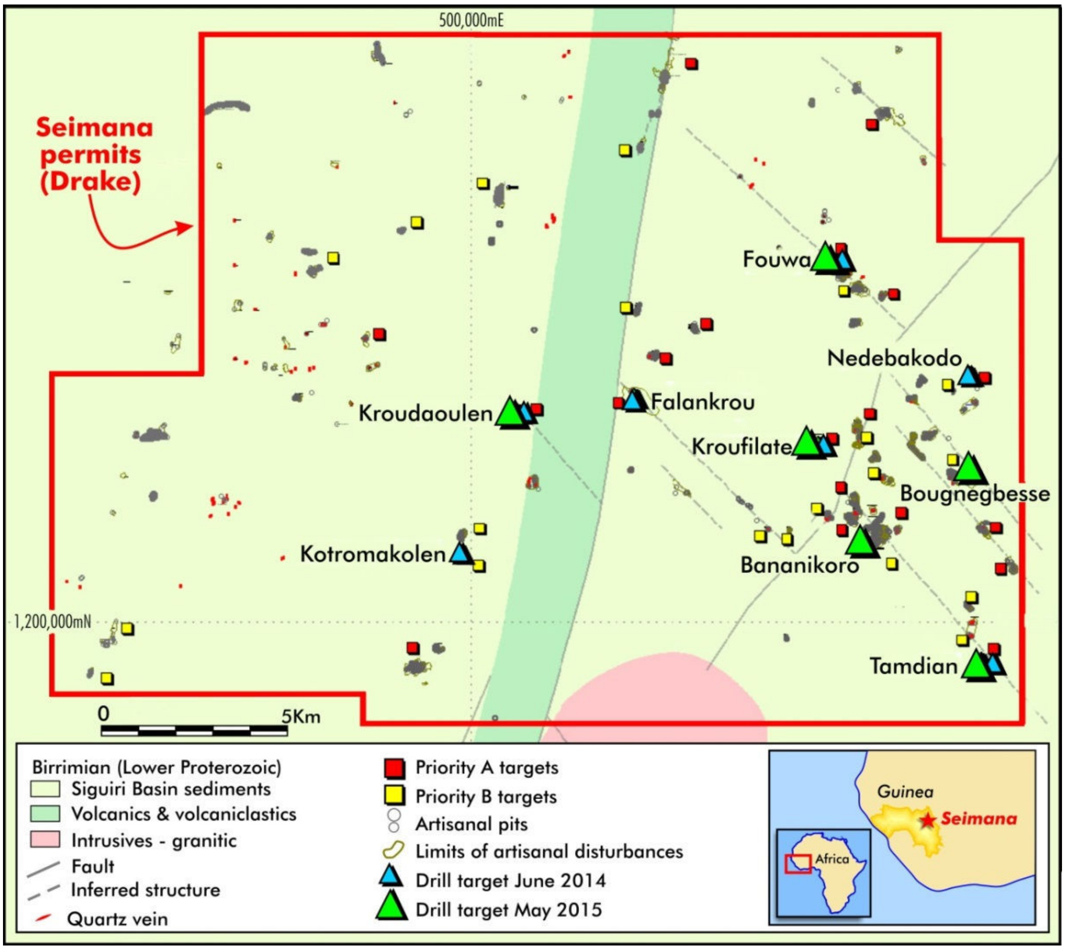

***Figure 1:** Drake's Seimana permits showing prospects drilled.*

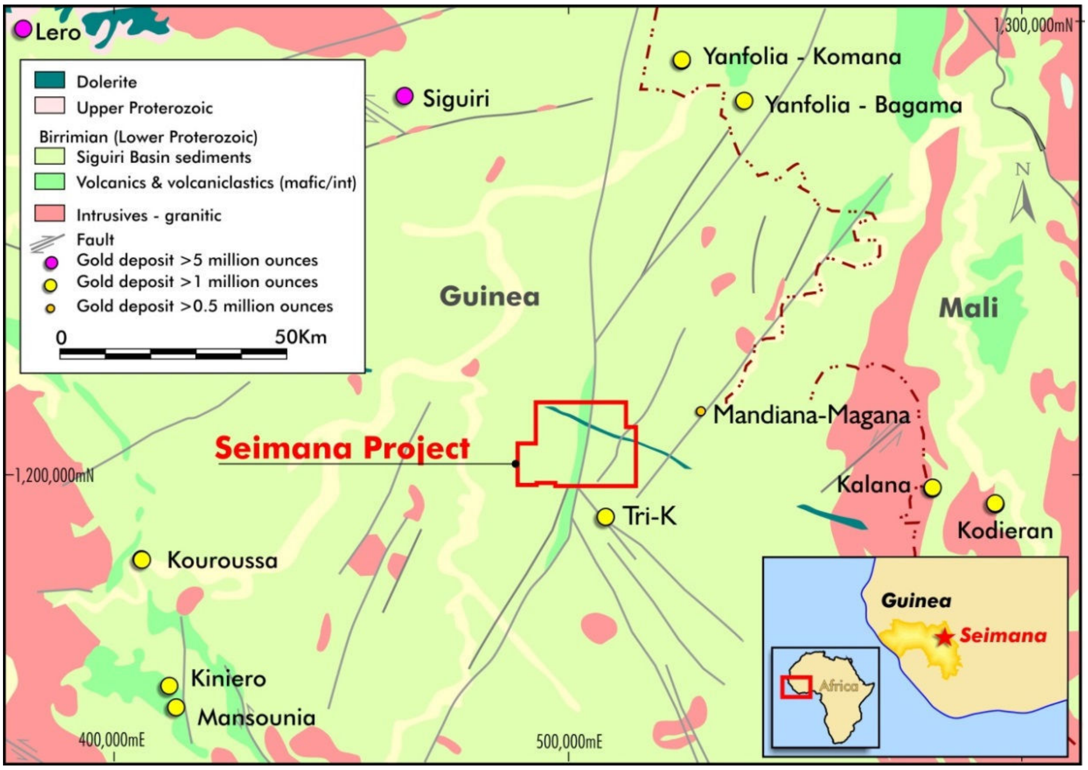

***Figure 2:** Seimana Project: Regional setting*

Sulitjelma Copper / Zinc Prospect – Norway

A ground based electromagnetic (EM) geophysics survey was conducted over priority copper/zinc targets identified from the 2014 VTEM program. As a result of the EM survey 6 targets (fig 3) remain appealing copper/zinc targets warranting drill testing. Drake and its JV partner Panoramic Resources[1] has authorised a field program for the northern summer at priority targets prior to considering the possibility of drilling later in the year.

Four targets of interest lie within the western thrust ore field (fig 3) which is an area of known massive sulphide mineralisation mapped over ~10kms. The western ore field hosts the Sagmo (1.9Mt mined of 1.6% Cu and 0.23% Zn[2]) and the Jakobsbakken (4.47Mt mined of 1.55% Cu and 2.42% Zn[2]) historic orebodies. There is also a significant amount of historic exploration and mine data available for this region. Of particular interest is **Anomaly 1** with the recently completed EM defining a large conductor (1300mx1100m) located ~100m immediately above the Avilon Stoll access drive and historic workings. This may represent easily accessible mineralisation unsuspected by the past miners.

Two targets of interest lie within the eastern Nordgruvefeltet region. **Anomaly 3** occurs at the eastern extreme of the Drake/Panoramic JV portfolio, and field mapping to the west of the anomaly has confirmed the presence of outcropping massive sulphides and dump samples from old workings and composite chip samples generating results including 10.7% copper and 15.1% zinc[3]. Anomaly 4 occurs further north in near an area of known mineralisation and previous production.

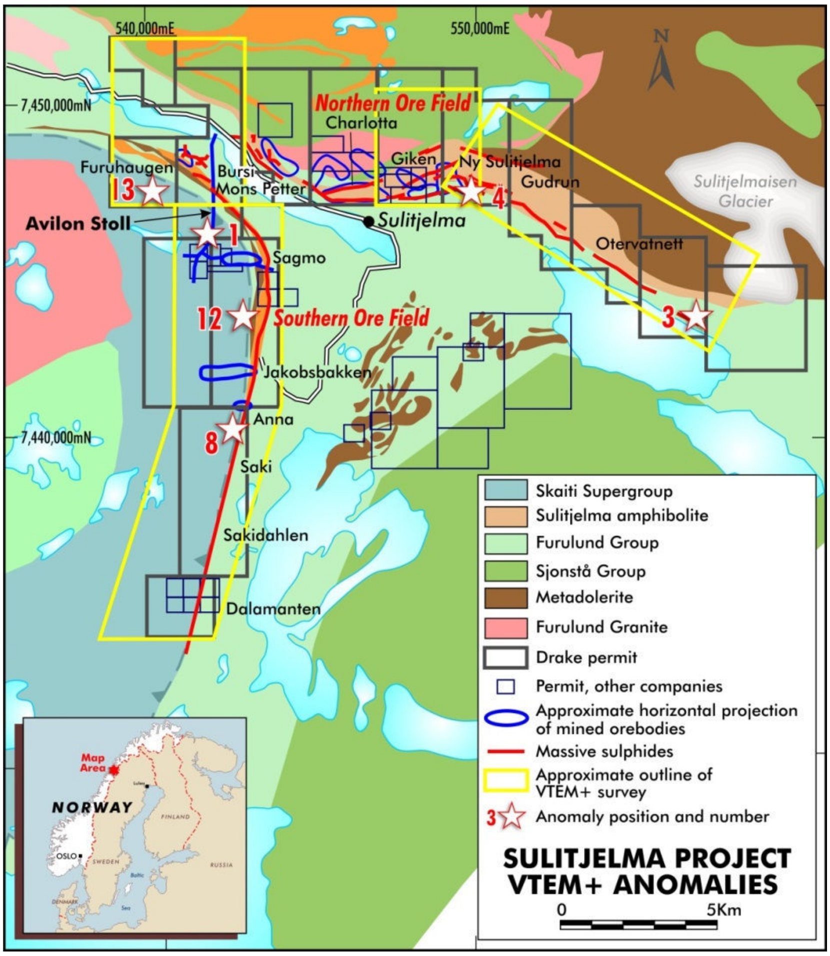

Figure 3: *Plan showing area flown with VTEM in 2014 and 6 targets explored via ground EM in 2015. As can be seen by the number of mined ore bodies, a large number of underground access paths exist and might be a considerable help during both exploration and potential operations stages.*

Bergslagen Nickel Province - Sweden

During the quarter Drake commenced planning for a relatively inexpensive but potentially valuable EM program over priority targets in Bergslagen (fig 4) to explore for repeats of its Granmuren greenfield nickel discovery in the region. Granmuren is Voisey's Bay style nickel sulphide mineralisation and similar age to major nickel operations such as Thompson, Raglan and Sudbury mines. This style of mineralisation tends to occur in clusters and the Q3 EM program will test areas of Drake's portfolio where regional geophysics and historical exploration data suggests possible sites for magmatic nickel sulphide. The program has commenced in July with results expected in the latter half of August.

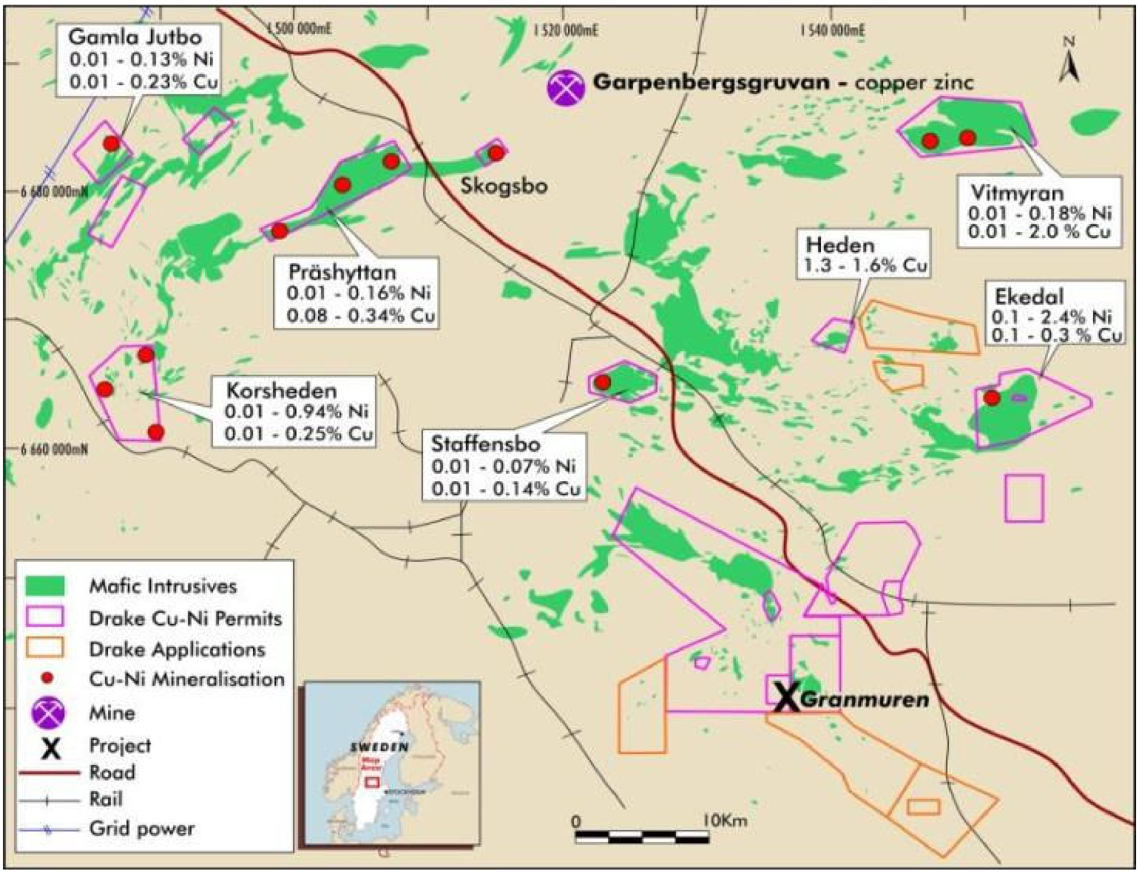

Figure 4: *Bergslagen, Sweden. Drake holds a substantial regional portfolio in this potential new nickel province. Field mapping and historic surface sampling have identified numerous Nickel sulphide targets.*

Corporate Activity and Next Steps

During the quarter Drake concluded an entitlement issue and shortfall placement to raise ~$1.8M before costs with part funds directed to the recently completed Seimana drilling program and planned Q3 exploration activity at nickel targets in Bergslagen –Sweden and advancing the Sulitjelma copper/zinc prosects in Norway. The company is also considering an exploration program at Seimana for later in the year and continues to consider other opportunities to complement it's broader corporate strategy.

Note 1: *Under the Sulitjelma JV terms, Panoramic has the right to sole-fund exploration to earn a 70% interest in the project. Drake can participate in the projects at 30% or 10% or revert to a 2% Net Smelter Return royalty*

Note 2: *Source Norwegian Geological Survey*

Note 3: *See Drake announcement 05/11/14*

For further information, please contact:

Mr Jason Stirbinskis
CEO, Drake Resources
+61 (0)8 6141 3585
info@drakeresources.com.au

Competent Persons Statement

The information related to Seimana exploration results is extracted from the reports entitled "Final Drill Results – Seimana Gold Project" created on 30/7/14 and "Seimana 2015 Drill Results" created on 12/6/15, both reports are available to view on www.drakeresources.com.au. The information related to Sulitjelma exploration results is extracted from the report entitled "Sulitjelma EM Results" created on 4/6/15 and "Surface Samples above VTEM anomaly return high grade copper and zinc – Sulitjelma" created on 5/11/14, both reports are available to view on www.drakeresources.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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 development.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Name of entity

DRAKE RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
12 108 560 069	**30 June 2015**

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (12 Months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for:	(a) exploration & evaluation	(353)	(1,259)[1]
		(b) development	-	-
		(c) production	-	-
		(d) administration	(296)	(841)[1]
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		5	16
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other - Payments for alliance exploration, net of contributions		60	84[1]
	Net Operating Cash Flows		**(584)**	**(2,000)**
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c) other fixed assets	(1)	(1)
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		-	-
	Net Investing Cash Flows		-	-
1.13	Total operating and investing cash flows (carried forward)		**(585)**	**(2,001)**

1.13	Total operating and investing cash flows (brought forward)	**(585)**	**(2,001)**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	690	1,745
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	**690**	**1,745**
	Net increase (decrease) in cash held	**105**	**(255)**
1.20	Cash at beginning of quarter/year to date	987	1,350
1.21	Exchange rate adjustments to item 1.20	9	6
1.22	**Cash at end of quarter**	**1,101**	**1,101**

[1] **Note:** A number of transactions from the September 2014 Quarter were reallocated to better reflect their substance. The reallocation has not affected the net cash flow movement for the period or any cash balances previously reported.

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	29
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Management Fees paid to associated company.

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

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	353
4.2	Development	-
4.3	Production	-
4.4	Administration	278
	Total	**631**

***Note:** Exploration and evaluation is net of amounts expected to be received from joint operations partners.

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	1,101	987
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**1,101**	**987**

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	*Please refer "Interests in Mining Tenements" on pages 5-6.*			
6.2	Interests in mining tenements acquired or increased	*Please refer "Interests in Mining Tenements" on pages 5-6.*			

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)	Amount paid up per security (see note 3)
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**	608,532,546	608,532,546		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	 160,273,770 5,002 278 -	 160,273,770 5,002 278 -	 $0.005 $0.03 $0.05 -	 $0.005 $0.03 $0.05 -
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)*	 395,000 17,340,162 366,053,882	 Employee Options Listed Options Listed Options	*Exercise price* $0.72 $0.05 $0.03	*Expiry date* 31 Mar 2016 1 Aug 2015 1 Aug 2017
7.8	Issued during quarter	160,661,270	Listed Options	$0.03	1 Aug 2017
7.9	Exercised during quarter	278 5,002	Listed Options Listed Options	$0.05 $0.03	1 Aug 2015 1 Aug 2017
7.10	Expired during quarter	-			
7.11	**Debentures** *(totals only)*	-			
7.12	**Unsecured notes** *(totals only)*	-			

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Granmuren Project:				
Tullsta 2010:171	Sweden	100%	0%	0%
Tullsta nr 2 2012:78	Sweden	100%	0%	0%
Tullsta nr 3 2012:158	Sweden	100%	0%	0%
Other Swedish Tenements:				
Ekedal nr 3 2012:101	Sweden	100%	0%	0%
Erlandsbo nr 1 2013:42	Sweden	100%	0%	0%
Gamla Jutbo nr 1 2012:104	Sweden	100%	0%	0%
Grällsta nr 1 2013:43	Sweden	100%	0%	0%
Gruvsjön nr 2 2010:116	Sweden	100%	0%	0%
Heden nr 1 2012:102	Sweden	100%	0%	0%
Hedsåsen nr 1 2012:58	Sweden	100%	0%	0%
Jugansbo nr 5 2007:265	Sweden	100%	0%	0%
Jugansbo nr 6 2011:1	Sweden	100%	0%	0%
Kältorp nr 1 2013:49	Sweden	100%	0%	0%
Korsheden nr 1 2012:135	Sweden	100%	0%	0%
Kuså nr 2 2013:44	Sweden	100%	0%	0%
Lainejaur nr 1 2012:141	Sweden	100%	0%	0%
Lainejaur nr 2 2013:40	Sweden	100%	0%	0%
Lainejaur nr 3 2013:90	Sweden	100%	0%	0%
Ljusberget nr 1 2013:50	Sweden	100%	0%	0%
Orsen 2010:117	Sweden	100%	0%	0%
Prästhyttan nr 1 2012:105	Sweden	100%	0%	0%
Skillberg nr 1 2013:51	Sweden	100%	0%	0%
Skogsbo nr 1 2012:85	Sweden	100%	0%	0%
Staffansbo nr 1 2012:134	Sweden	100%	0%	0%
Stripa nr 2 2012:103	Sweden	100%	0%	0%
Vigelsbo nr 1 2010:8	Sweden	100%	0%	0%
Vitmyran nr 1 2012:146	Sweden	100%	0%	0%
Joma/Gjersvik Project:				
Grong 1-9	Norway	100%	0%	0%
Orvatnet 1-2	Norway	100%*	0%	0%

* Note: Orvatnet 1 & 2 are held under an exclusive exploration and exploitation agreement with permit holder Joma Naeringspark AS which provides that the exploration permits will be transferred to Drake Resources Limited in the event that it decides to apply for an Extraction Permit.

Interests in Mining Tenements (Continued)

Seimana Project:				
Permis I (Option to Purchase 100%)	Guinea	0%	0%	0%
Permis II (Option to Purchase 100%)	Guinea	0%	0%	0%
Tasiast South Project:				
Touerig Taieuh 1163B2	Mauritania	100%	0%	0%
Hadeibet Belaa 1164B2	Mauritania	100%	0%	0%

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
None				

Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Royal Falcon Joint Venture:				
Falun nr 100 2007/61	Sweden	100%	51%	0%
Falun nr 101 2007/62	Sweden	100%	51%	0%
Falun nr 102 2007/254	Sweden	100%	51%	0%
Falun nr 104 2007/254	Sweden	100%	51%	0%
Falun nr 105 2007/384	Sweden	100%	51%	0%
Haghed 2009/140	Sweden	100%	51%	0%
Krondiket 2009/141	Sweden	100%	51%	0%
Panoramic Alliance:				
Sulitjelma 1-17	Norway	100%	0%	0%

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 5).

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

Signed: ______________________________ Dated: 31 July 2015
Director and 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 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.

5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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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