

14 July 2017

OPERATIONS UPDATE AND APPLICATION FOR RENEWAL OF TULLSTA LICENCE

In March 2017, Drake Resource Limited (**Drake** or the **Company**) provided an update to the market concerning the Company's Nordic assets and corporate activity. The Company provides the following update addressing recent developments.

Drake is continually evaluating its strategic direction and opportunities, which recently included a review of asset potential and site visits in Sweden, where Drake's focus is expected to remain.

Sweden is globally recognised as a mining jurisdiction of choice and the Swedish government has a clear goal to strengthen its position as the European Union's leading mining country. Sweden has a highly developed legislation and mining laws, as evidenced by consistent top ten finishes in the Fraser Institute rankings for its Annual Global Mining Surveys.

The Company is in the process of seeking re-instatement of its Tullsta licence which expired in December 2016. The application for renewal was not granted due to the Company's failure to pay the renewal fee within the required period. The request for re-instatement covers a much larger area and includes several additional areas of interest close to the Granmuren Nickel deposit which occurs within the Tullsta licence.

If the request is granted by the authorities, the Company considers the new licence will provide sufficient time to re-evaluate and establish the potential of the licence area. The position of the authorities on grant of the reinstatement application is expected to be known in the coming weeks.

The board of Drake remains enthused by the prospectivity of the Bergslagen region of central Sweden. Bergslagen has a long and successful mining history and includes world class mines such as the Garpenberg Zinc mine owned and operated by global mining house Boliden AB, Sala silver mine and Falun Copper-Gold mine. Drake retains a portfolio of licences in the area prospective for base metals.

Drake retains its interest in the Sulitjelma Copper Zinc mining district. Consistent with strategic options described in the March 2017 market update, Drake has not sustained its interest in the Joma Copper-Zinc assets captured within the Joma Nearingspark Joint Venture (**JNJV**). Drake retains the nearby Gjersvik Copper assets and will keep a watching brief over developments at the JNJV and the broader Koli Thrust Complex which hosts Gjersvik, Joma and many other base metal occurrences, and may return to the area utilising the Gjersvik asset that Drake still holds.

Prospectus

The Board of Drake have decided to extend the Closing Date for acceptance of applications under the Prospectus from 14 July 2017 to 5:00pm (WST) on 31 August 2017.

As a result of the pending application relating to the Tullsta licence, the Company will be lodging a supplementary prospectus and will offer those investors that have applied for shares under the Prospectus, a one month period to withdraw their applications. The Company has also applied to ASX for an extension of the current waiver of Listing Rule 14.7 to allow issue of shares under the Prospectus to be completed on or before 5 September 2017.

For further details please refer to the Prospectus announced on 23 June 2017.

ENDS.