



ASX Announcement

16 June 2014

Drake Strategy Update - Presentation

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With three drilling programs and a geophysics program occurring over the next 3 months, Drake Resources has released a presentation providing an update on the projects and potential news flow.

The Narrated Presentation can be accessed via the following you tube link or from the video section of Drake's website:

<http://www.drakeresources.com.au/videos.html>

A standard presentation pack can be accessed via the following link:

<http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1447-97187084/StrategyUpdateCEOPresentation>

Key updates covered in the presentation include

- **Drilling at Nordgruva commenced June 11th** . Down hole EM survey conducted at completion of 2013 drilling identified two significant, strong off-hole conductors the stratigraphic position of which in or in close proximity to gabbro amphibolite units and the conductor characteristics and strength, suggest they could both represent massive sulphides of potentially substantial thickness.
- **Drilling at Guinea will commence June 23rd** . 1500m RC program targeting 5 significant gold anomalies revealed from recent field sampling programs.
- **Drilling at Løkken will commence early July**. A VTEM Survey identified significant conductors north, south and west of the old Løkken Mine. Subsequent geophysics confirmed the presence of source conductors and five sites were identified as priority drilling targets for massive copper sulphide. All five targets will be drilled in the ~900m diamond drilling program.
- **VTEM at Sulitjelma targeting August**. Survey area includes several historic copper zinc mines. The objective of the program is to identifying targets for potential ground EM and/or follow up drilling.
- **Drake/Vilhelmina copper development opportunity update**. The Due Diligence period with Vilhelmina Mineral concluded without a formal agreement being reached, however dialogue continues.

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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.

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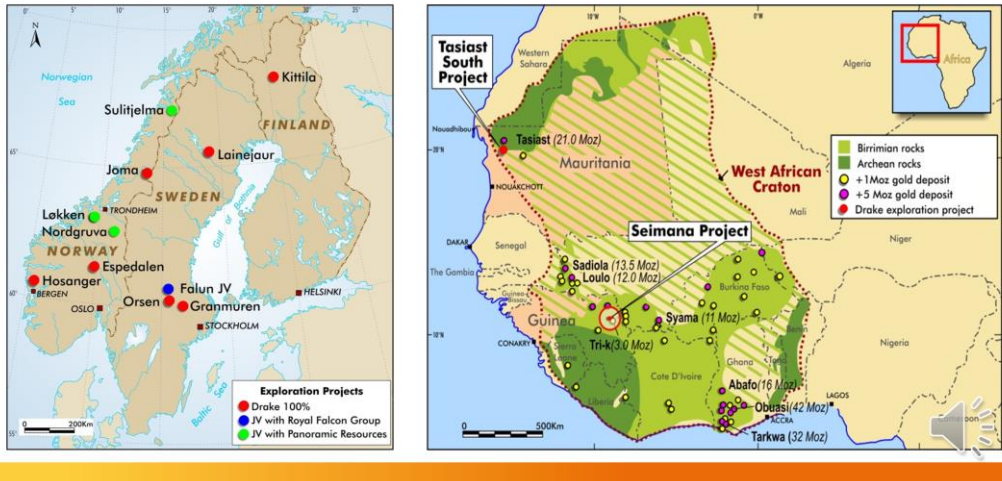


STRATEGY UPDATE

Presented by Jason Stirbinskis, CEO

June 2014

A fully narrated and animated version of this presentation is available on Drake's website



Hello, My name is Jason Stirbinskis and I am the CEO of Drake Resources. Drake is on the cusp of a very intensive period of in ground activity with 3 drill programs and a VTEM Geophysics program planned between now and August, so it is worth summarising Drake's approaching activity and pending news flow. While on this slide I'll remind you that Drake has a large portfolio of assets across the Nordic region with areas prospective for nickel, copper and gold and we have two gold parcels in West Africa – Our Tasiast South project in Mauritania and our Seimana Gold project in Guinea.

Disclaimer & Competent Persons Statement



This presentation has been prepared to provide information on Drake Resources Limited's projects. It is not intended as an offer, invitation solicitation or recommendation with respect to the purchase or sale of any securities. This presentation should not be relied upon as the sole representation of any matter that a potential investor should consider in evaluating Drake. Its affiliates or any of its directors, agents, officers or employees do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this presentation, and they do not accept any liability for any statement made in, or omitted from, this presentation. Prospective investors should make their own independent evaluation of an investment in the Company.

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Competent Persons Statement

The information related to Nordgruva exploration results is extracted from the report entitled "Nordgruva Final Assays" created on 3/1/14 and is available to view on www.drakeresources.com.au. The information related to Seimana exploration results is extracted from the report entitled "Program reveals abundant gold – Seimana - Guinea" created on 21/5/14 and is 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.

The information related to Lokken exploration results is extracted from the report entitled "Strong Electromagnetic Conductors Identified at Lokken" created on 9/1/12 and is available to view on www.drakeresources.com.au. The information related to Joma exploration results is extracted from the report titled "Joma EM results confirm prospective targets" created on 5/9/14 and is 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 announcement. This information was prepared and first disclosed under the JORC code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was reported.

We are not progressing all of those assets currently but rather focussing on 3 assets with our 100% Drake portfolio and 3 additional projects we hold within JVs with Panoramic Resources.

Drake Resources



Corporate

Executive

Jason Stirbinskis - CEO
Brett Fraser – Chairman
Jay Stephenson - NED
Bob Beeson - NED

Shareholders

Acorn Capital ~11%
DRK Exec ~ 6%
Top 20 ~ 38%

Capital

Shares 177M
Listed Options 33M
Market Cap ~\$4.5M



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In Q4 2013, the Drake Board re-affirmed the corporate strategy and endorsed an intensive program of activity for the first half of 2014. This has already created a new floor for our share price at nearly 100% above our late 2013 performance with the spike you see in March being attributable to the first wave of news flow from Seimana and we've sustained that interest with announcing drill programs at Seimana, Nordgruva and Lokken and most recently a commitment to fly VTEM over Sulitjelma in August. I'll elaborate on all of these shortly but its worth noting that these programs are about to commence and therefore we are sure to see even more significant and regular news flow over the coming months.

Acorn Capital is our largest shareholder sitting at around 11% up from 9% having taken up all their rights in our recent rights issue. We have successfully kept of shares on issue remarkably low at around 177m shares to give us a market cap of around \$4.5M. The capital raising I just mentioned has boosted our cash at bank by around \$700k .

So lets progress to the specifics of the approaching exciting exploration programs with the first being our Seimana Gold project in Guinea.

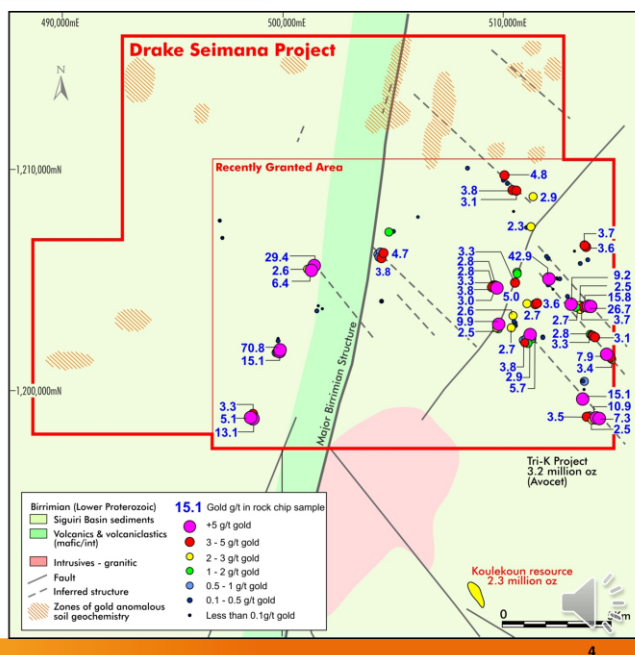
Seimana Gold - Guinea

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Seimana Gold - Guinea

- Spectacular rock chip gold assays across 18km -see recent announcement for detail
<http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1440-11924297/ProgramRevealsAbundantGoldSeimanaGuinea>
- 55 Clusters! 12 of which >5g/t Gold, some >500m long
- Abundance of ancient and modern Artisanal gold mine workings
- Strength and extend of gold values in soils
- Additional potential for near surface oxide 'heap leachable' material

POTENTIAL TO BE A WORLD CLASS DISCOVERY!



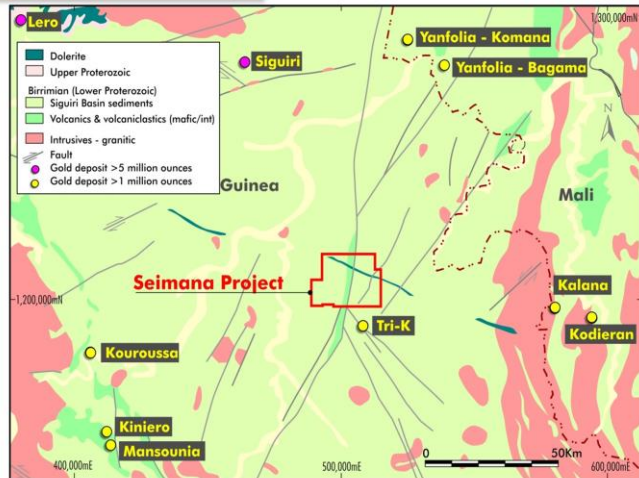
We acquired land to the south of Seimana in January this year and as expected it has fundamentally changed the future of the Seimana project. Our field programs included rock chip sampling across multiple sites mainly identified from artisanal workings and the regional setting extrapolating from Avocet's interests to the south and our soil sampling results to the North from 2012. The hyperlink here will take you to the announcement concerning the field results. You can see from the values on the map here that we encountered some incredible grab sample results including 70g/t, 29g/t, 26.7g/t and many hits between 10 and 15g/t but more importantly we encountered very encouraging results from multiple sites across almost the entire width of the recently granted land. In fact there were 12 separate sites that returned grades over 5g/t gold. In our most recent field program four sites were selected for preliminary soil sampling to test its effectiveness in defining mineralisation. At the largest site, Fouwa almost 20% of the area returned +0.1 g/t gold – unusually high for soil values. This is additionally exciting because not only are we seeing strong evidence of high grade gold occurrences through out the area but the early results also suggest we might have regions of near surface gold oxides that might be amenable to heap leaching also. This is a spectacular start and in my 25 years I've not encountered early surface results like these and Seimana is looking like a potential world class gold discovery.

Potential World Class Discovery

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Seimana Gold - Guinea

- Avocet's TriK ~3.2Moz Gold deposit 7km from Drake's southern border
- Multimillion Ounce projects at Siguiri and Lero
- Many >1M oz projects with 100km of Seimana



**1500m RC program
commences late June 2014**



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Which is not all that surprising given our neighbours which includes the major deposits of Siguiri (AngloGold) and Lero and half a dozen other substantial (+1 million ounce) deposits within 100 kilometres. What is surprising is that there is no evidence of prior exploration at Seimana and certainly no previous drilling within the permit area. The Seimana licenses are within the Birrimian age Siguiri district which is part of the prolifically gold mineralised West African shield that dominates West Africa's geological landscape. At Seimana, gold predominately occurs in quartz veins or quartz veined fracture zones associated with a suite of North West trending structures that occur across the entire length of the licences. Most of the priority targets lie in the eastern half of the tenement block and appear to be associated with the more competent units within the volcano-sedimentary sequence. Based on analyses of artisanal workings, mineralisation is typically in sub-vertical vein sets ranging in thickness from centimetre scale up to tens of meters and in our Priority A targets can be observed to extend for more than 100m along strike and we can already observe some extending for over 500m along strike. There is a lack of outcrop due to a blanket of in-situ laterite several metres thick over much of the region and it is believed a deeply weathered saprolitic profile extends 80m to 100m below surface. Our 1500m RC drill program starting late June will aim to test 5 or 6 of our best priority A sites and will focus on zones where work to date has located the strongest gold grades associated with the most intensely developed veining.

Granmuren Nickel Province

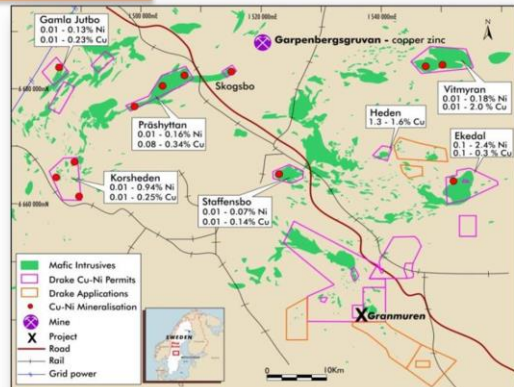
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Granmuren Deposit

- Nickel / copper massive and disseminated sulphides
- From surface to +300m Greenfield discovery

Drake's Regional Footprint

- Numerous magmatic Ni-Cu occurrences – 100% Drake
- Independent view – 'World Class Nickel Camp'
- Next Step – Regional VTEM
- Also – Espedalen, Hosanger and Lainejaur



More Information ?

Independent assessment of Granmuren

<http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1405-25727967/IndependentAssessmentofGranmuren>

Granmuren Drill Results – 54.2 cumulative meters of nickel sulphide

<http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1363-88723923/542CumulativeMetresofNiSulphideatGranmuren>

Espedalen JORC compliant Resource

<http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1401-42240338/EspedalenNickelCopperResource>

As I am sure you all know, the Nordic region's association with nickel is very long, in fact the word Nickel is Swedish and we actually have a nickel mine at our Hosanger prospect that dates back to 1885. We have 4 nickel interests in the region, Hosanger, as mentioned and we also have Espedalen which has seen episodes of exploration over the decades and we announced an Inferred Resource on Espedalen last year. The third is Lainejaur, a nickel copper cobalt deposit and mine in Northern Sweden, but the one that we are focussed on and generated considerable exciting news last year is Granmuren, our near-surface greenfield nickel copper sulphide discovery in central Sweden. This is a substantial intrusion of massive and disseminated sulphides, mainly pyrrhotite, pentlandite and chalcopyrite hosted in gabbros and norites. This area has excellent infrastructure with rail, road and power nearby. Granmuren itself is actually on a pine plantation and the owner seems happy to have us here.

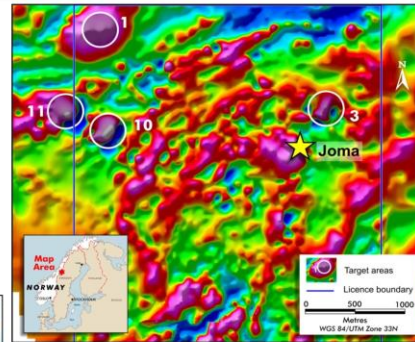
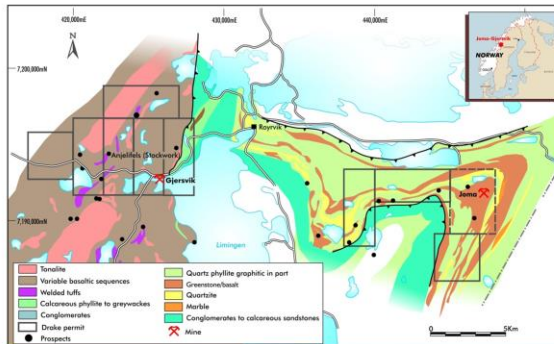
Mineralisation occurs from near surface, we've tracked it down to about 330m and it remains open at depth. The photo here is from about 100m down hole #7 and we are seeing semi-massive and occasionally massive sulphides. Drake used the latter half of 2013 to complete modelling of the deposit and strategically assess its Bergslagen asset portfolio, which contains Granmuren. The Company engaged an independent specialist with an impressive track record in the identification of magmatic hosted base metal sulphide targets, to assess Drake's Bergslagen portfolio. The link to the right will take you to a detailed commentary on the report but the key finding in my opinion is that the regional setting and demonstrated presence of nickel /copper occurrences across Drake's portfolio, all point to the area having the potential to contain a world class nickel camp. The logical next step for this region is to conduct VTEM over the higher priority targets we identified last year and we hope to commission that program in 2014 given improving Nickel prices and a more positive outlook on nickel compared to 2013.

Joma Copper Zinc

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Joma Mine

- Possible production opportunity involving nearby assets owned by Vilhelmina Mineral
- Formal arrangement not in place but dialogue continues
- Joma Mine Exploration target - <http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1417-29785341/HighgradecopperreturnedfromchekassaysatJoma>



Joma Exploration

- 100km² of Koli Copper/Zinc complex
- Under explored
- Next Steps – Drilling of Target 1. Geophysics signature larger than the historic Joma mine



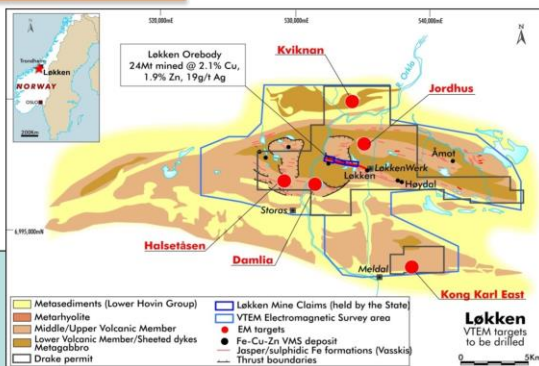
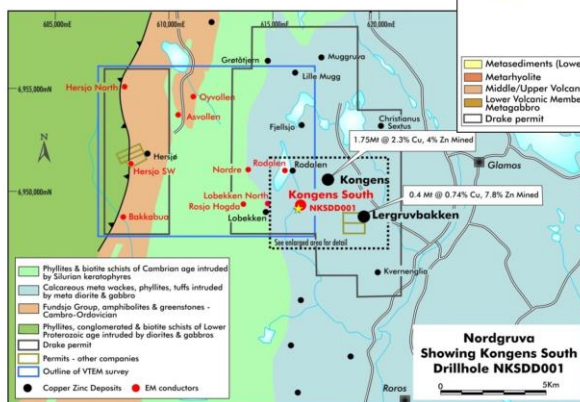
In March this year we announcement a LOI defining a 90 day period to formally explore the potential for near term production by combining Drake's Joma assets and Vilhelmina Mineral AB which holds similar assets near-by. We have a good understanding of past performance and the nature of remaining mineralisation and extensions at all the assets involved and we believe there is a good possibility of achieving economically appealing, near term production by combining the assets. The 90 day DD period with Vilhelmina concluded without a formal agreement being reached, however dialogue remains open and we hope to have something to say about this shortly. In the mean time Drake will keep its options open and this potentially includes exploration of our very large footprint in this highly prospective Koli Thrust Complex. Our regional investigations to date have focussed on a small area around Joma and we've got some very exciting targets, such as target 1 which I've spoken about previously in several announcements and further investigation of this target would be a logical next step. However we've only really looked at around 12km² of the 100km² or so we have in this region and Drake's permits are relatively under explored so the potential to find additional mineralisation within the vicinity of Joma and Gjersvik to the west of Joma is quite high.

Other Copper assets

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PAN JV assets¹

- Summer drilling Løkken. 5 targets. World's largest Cyprus Deposit²
- Summer drilling at Nordgruva. Follow up from '13 program and 2 off hole conductors
- Summer VTEM Sultjelma – covering 70km² of highly prospective region of Norway



More Information ?

Drilling at Løkken and Nordgruva 2014

<http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1420-63519574/DrilltestingofexceptionalEMcopperzinctargetsNorway>

1: Under the JV terms, Panoramic has the right to sole-fund exploration to earn a 70% interest in the projects. The planned programs will achieve the 70% hurdle

2: Source NGU – Government Geological Unit of Norway

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Drake and our JV partner, Panoramic Resources are very excited that our other copper/zinc interests in Norway are progressing this year. Drake holds a strategic footprint over the Løkken Cu/Zn region. The Løkken mine is believed to be the largest Cyprus Style copper deposit in the world and was mined continuously from 1654 to 1987. Drake's geophysics programs during 2011 and 2012 identified significant conductors north, south and west of the Løkken Mine and five sites, which you can see on the right hand map were identified as priority drilling targets for massive copper sulphide. All five targets will be drilled in the pending ~900m diamond drilling program over summer. The single diamond drill hole planned for Nordgruva is targeting two off-hole conductors identified in drilling in late 2013. The original hole NKSD001, which you can see in the centre of the Nordgruva map encountered minor disseminated sulphide mineralisation within amphibolites in host rock that appears consistent with ore bearing units of the region but what was of more interest was the down hole EM survey conducted at completion of drilling. It identified two significant, strong off-hole conductors at approximately 400m and 450m. The stratigraphic position in or in close proximity to gabbro amphibolite units, conductor characteristics and their strength, all suggest they could both represent massive sulphides of potentially substantial thickness and that's the target of this summer's drilling.

We've also announced a helicopter borne VTEM electromagnetic and magnetic survey at our Sultjelma prospect covering 767 line kms or approximately 70km² of this highly prospective region of Norway. The objective of the program is to identifying targets for potential ground EM and/or follow up drilling and is planned to commence in August.

So its going to be a potentially very exciting summer as we explore these three high priority regions.

Work Plan

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June

- Nordgruva Drilling commenced June 11th
- Seimana Drilling commences June 23rd

July

- Løkken Drilling commences
- Nordgruva Drill Results
- Seimana Drill Results pt1

August

- Sulitjelma VTEM commences
- Løkken Drill Results Pt 1
- Seimana Drill Results pt2

September

- Sulitjelma VTEM results
- Løkken Drill Results Pt 2



Photo: Drake's Soil sampling crew at the Seimana project

Decisions pending

- Granmuren VTEM – September?
- Joma target 1 drilling



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As mentioned in my first slide we have made substantial progress already this year and we have some fairly intensive activity over the next few quarters also. Drilling has begun at Nordgruva in Norway and will start shortly at Seimana in Guinea and given that the Guinea holes are only 100m or so deep and easy drilling, we expect to see results flowing quite quickly from here with first results out in July along with the Nordgruva results. From Nordgruva the diamond rig moves to Løkken and should be underway in July with results expected in August. We also expect the Sulitjelma VTEM program to be conducted in August and the last tranche of Guinea drill results out as well. We expect the last of the Løkken drill results and the outcome from the Sulitjelma VTEM to be released in September. We have yet to make a decision on whether to conduct the Granmuren VTEM program, we have a subset of shareholders that are particularly excited by the potential of Granmuren especially given the comparisons that can be drawn with the genesis of Voiseys Bay and Nova style mineralisation and the future of the nickel price. We also have ambitions to drill target 1 at Joma this year. I do not know of another junior that will be as active as Drake over the next several months, we have a number of very exciting projects and material progress occurring at many of them over what is a short time frame, so I hope you watch with interest as we start to deliver output from these critical work programs. Thank you for your time.