

**FINAL REPORT
ESPEDALEN PROJECT**

**ESPE CLAIMS 1-12
SOUTH CENTRAL NORWAY**

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Copies To: Mining Directorate, Trondheim, Norway
 Drake Resources Ltd, Perth
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Executive Summary

Drake Resources Ltd, were granted 12 claims over the Espedalen nickel district in June 2012.

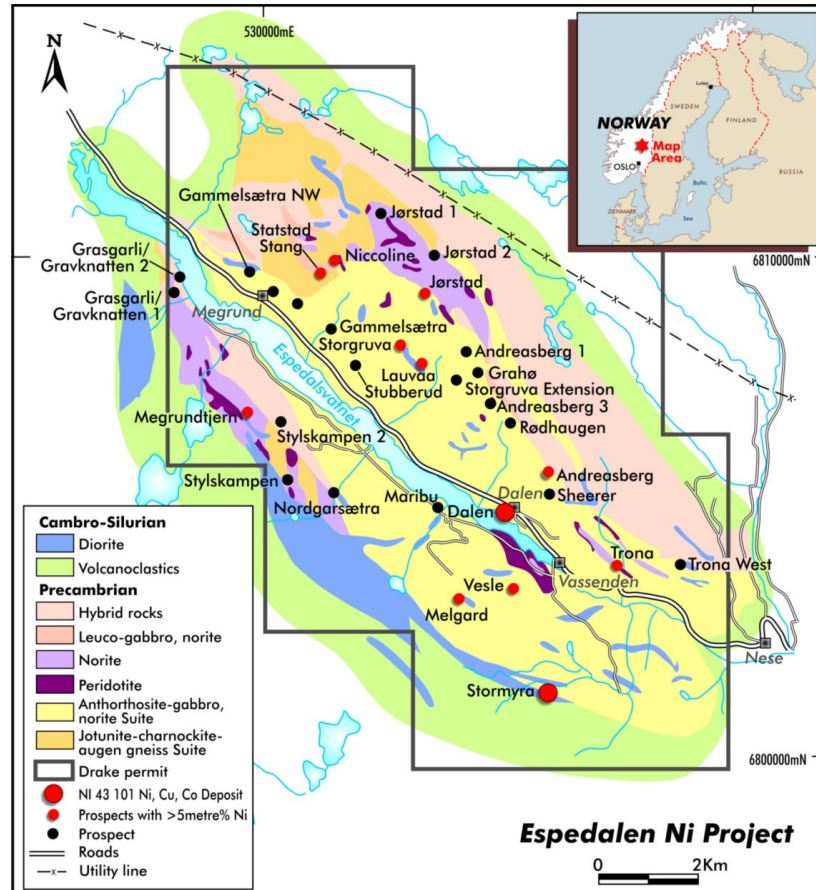
Blackstone Ventures Ltd despite having discovered and established two nickel copper resources at Stormyra and Dalen, relinquished title to the area through lack of funding in April 2012.

Mining in the Espedalen area dates back to the 17th century with copper discovered there in 1666 and mined intermittently until 1750. Nickel mining in the area was conducted intermittently from 1848 to 1918. Approximately 100,000 tonnes of nickel ore were produced at about 1% Ni 0.4% Cu and 0.6% Co principally from the Stasrad Stang and Storgruva mines.

Within Drakes claims are contained the two NI 43-101 (TSX compliant) nickel-copper resources defined by Blackstone Ventures at Dalen and Stormyra and reported on to the Toronto Stock Exchange by Blackstone in Jan 2009.

In addition there are many Ni Cu prospects within the claims that have been explored to different levels of detail by Falconbridge Nickel through the 70's, and 80's and then Blackstone Ventures in the 2000's.

Ten of these prospects outside of the two resources have intercept of >5 m% Ni. The most advanced of these is Megrundtjern.





All available geological, geophysical, geochemical and exploration data was acquired from the Mining Directorate and from the NGU archives during 2012 and was compiled into a GIS workspace, and reviewed.

The initial focus was on gathering data and reports on the Dalen and Stormyra Ni, Cu, Co resources, and auditing them in order to prepare a JORC compliant resource for release to the ASX.

The failure of Blackstone Ventures to report on exploration conducted in 2007 and 2008 (largely on the Dalen and Stormyra resource projects immediately prior to release to the TSX of the resource statement on them) and other factors, meant that Drake could not release a JORC compliant resource without further substantial exploration expenditure. In August 2012 Drake was granted a waiver by the ASX to release a highly conditional non JORC compliant TSX resource on the two prospects to the market. The highlights stated:

The granted claims provide Drake with a 100% interest over two recently discovered nickel-copper deposits in the Espedalen Project

- *Dalen deposit - potentially open-pitiable with non JORC compliant indicated mineral resource estimate* of 4.6 Mt @ 0.29% Ni, 0.12% Cu & 0.02% Co & non JORC compliant inferred mineral resource estimate* of 5.4 Mt @ 0.25% Ni, 0.11% Cu & 0.02% Co*
- *Stormyra – non JORC compliant inferred mineral resource estimate* of 1 Mt @ 1.09% Ni, 0.48% Cu, 0.04% Co*
- *Megrund - partially tested EM target with intersections including 51m @ 0.74% Ni and 117m @ 0.31% Ni, open pit potential*

Where * Mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005. These do not comply with the JORC Code. ASX has granted the Company a waiver to allow the reporting of these mineral resource estimates. The quantity and grade of mineral resource estimate in this announcement are conceptual in nature and there has been insufficient exploration to define a mineral resource in accordance with the JORC Code and it is uncertain if further exploration will result in a determination of such a mineral resource.

Later all exploration data outside of the resources was reviewed. The report “Review of Exploration Conducted and Remaining Potential Within Drake Resources, Espedalen District, Nickel Claims And Outline Program and Budget” was prepared and submitted to the Drake board by the author in Jan 2013.

The review commenced assessment of data on the 9 prospects that Blackstone had seen as being potentially mined in the future and feeding a central mill at Dalen. Of these prospects it was Drake’s considered opinion that 4 at Stormyra, Dalen, Megrundtjern and Trona have ongoing exploration potential.

5 old mine prospect at Andreasberg, Storgruva, Jorstad, Stang Niccoline and Vesle while having localised significant mineralisation have limited potential most of which resides in depth. Jorstad is probably the most significant of these. No further work was proposed.

Appraisal of data on other prospects evaluated by Falconbridge in the 70’s and 80’s and Falconbridge/Blackstone in the early 2000’s resolved that the Melgard, Melgard West, Lauvaa, prospects appeared to have untested potential.



The Grasgarli, Stubberud, Nordgardsaeter, Maribu and Gammelsaetra NW Airborne EM anomalies remain untested with drilling and warrant Fixed Loop EM and follow up drilling.

The review recommended a Phase 1 program of further data acquisition and review and field programs involving core sampling for Ni/Cu tenor, Fixed Loop EM surveying and drilling, mapping and sampling which would take at least 1 year to conduct. The objective was to locate additional resources and to complete the data acquisition and review stage at the Stormyra and Dalen resources, a Phase 2 program of step out and more detailed resource evaluation drilling would be conducted, with the objective of having two and possibly three resources defined for a scoping study by the end of 2014.

Because of a tight funding environment Drake then focussed in February 2013 on the Megrundtjern prospect where the most significant tonnage potential with higher grade potential was assessed. A small drill program proposal was not supported.

Early in 2014 Drake relinquished approximately 30% of the deemed less significant ground and the author reported on these areas with "Final Report, On Parts Of Espedalen Claims 1, 2, 4, 5, 6, 7, 8, 11, 12, Relinquished In January 2014, Espedalen Project, Southern Central Norway" in May 2014.

The Espedalen project then remained inactive until late 2014 when in a continuing tight funding environment the Drake board decided to relinquish the Espedalen project.

In summary therefore Drake compiled data, reviewed potential and developed further work programs without conducting any fieldwork. A declining nickel price and ever tightening fund raising environment during the period of tenure prevented the further evaluation of the prospects that the technical team deemed warranted.

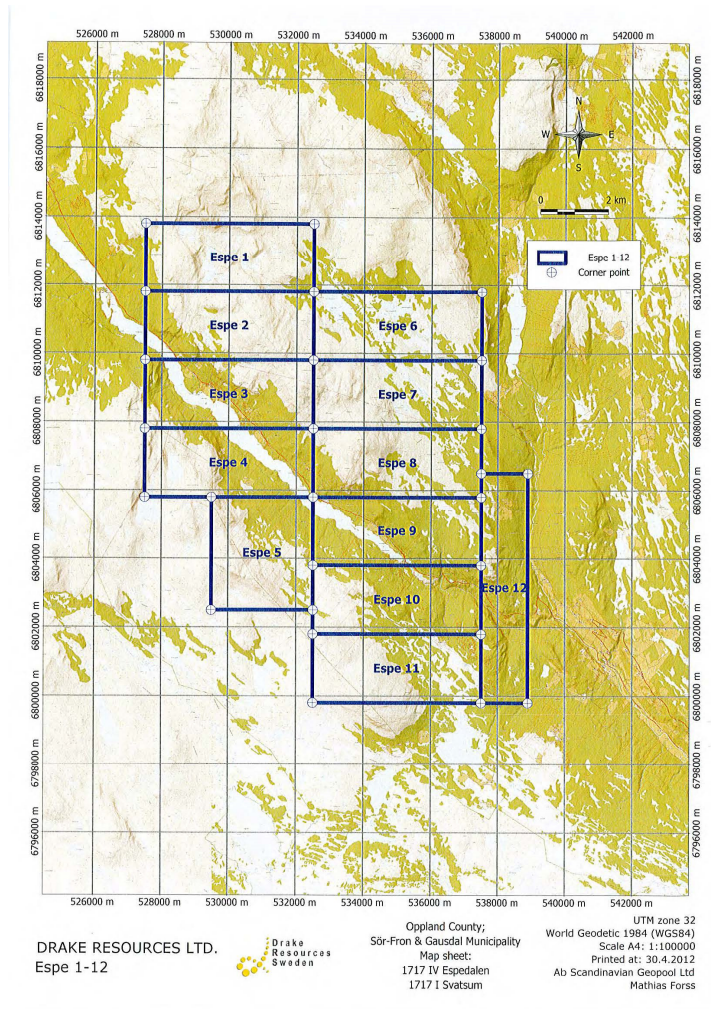
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The claims were relinquished in total in January 2015 and this the Final report summarises work conducted.



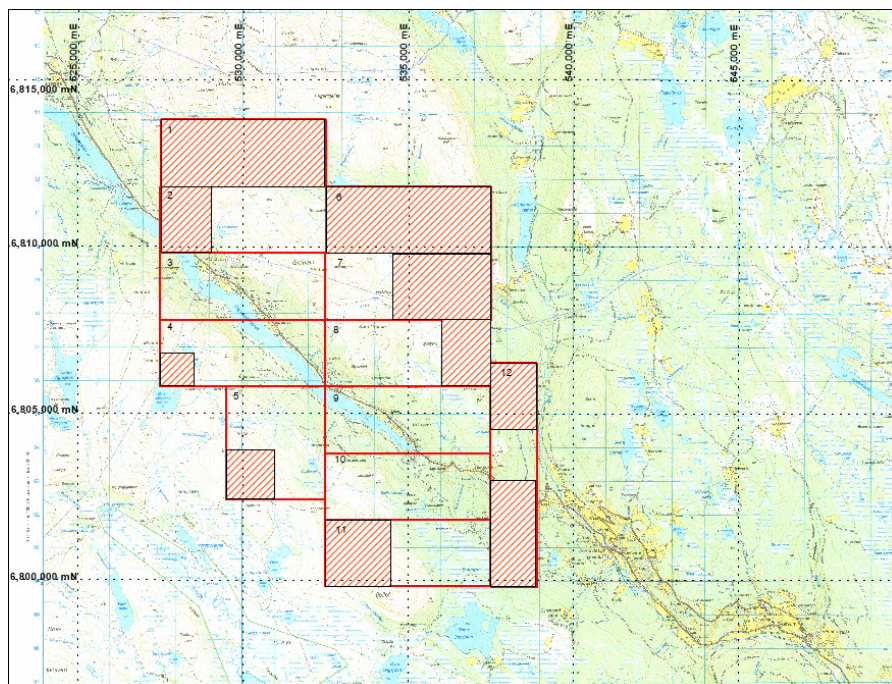
Introduction

Title



The Espedalen claim applications were submitted in April 2012 to cover the old Espedalen Nickel Mining District that had been relinquished by Blackstone Ventures. They were granted in mid-June 2012.

In early 2014 the claims were reduced by approximately 30% to the following:



Nr	Company	Name	Grant Date	Area
1211-1/2012	DRAKE RESOURCES LTD.	ESPE 10	2012.06.15	10000000
1212-1/2012	DRAKE RESOURCES LTD.	ESPE 11	2012.06.15	6000000
1213-1/2012	DRAKE RESOURCES LTD.	ESPE 12	2012.06.15	2100000
1203-1/2012	DRAKE RESOURCES LTD.	ESPE 2	2012.06.15	6800000
1204-1/2012	DRAKE RESOURCES LTD.	ESPE 3	2012.06.15	10000000
1205-1/2012	DRAKE RESOURCES LTD.	ESPE 4a	2012.06.15	1000000
1205-1/2012	DRAKE RESOURCES LTD.	ESPE 4b	2012.06.15	8000000
1206-1/2012	DRAKE RESOURCES LTD.	ESPE 5a	2012.06.15	2850000
1206-1/2012	DRAKE RESOURCES LTD.	ESPE 5b	2012.06.15	5100000
1208-1/2012	DRAKE RESOURCES LTD.	ESPE 7	2012.06.15	4000000
1209-1/2012	DRAKE RESOURCES LTD.	ESPE 8	2012.06.15	7000000
1210-1/2012	DRAKE RESOURCES LTD.	ESPE 9	2012.06.15	10000000

In Jan 2015 the claims were not extended and rentals were not paid resulting in relinquishment of the claims.

Location

The Espedalen claims, are located approximately 325 kms west north west of Oslo in Norway.

Objectives

Having discovered the Granmuren Nickel Copper prospect in Sweden and having been granted the Espedalen claims over the Stormyra and Dalen Ni Cu resources in Norway, Drake was keen to secure title and build a nickel portfolio over the more significant Ni prospects in Norway.



Drake planned to reappraise all the exploration and mine data over the Espedalen area and to then use modern geophysics and drilling to try and locate the down dip extension of the two resources, as well as to evaluate mineralisation identified by prior work programs.

Work Conducted

Essentially no fieldwork was conducted although 3 field rock chip samples were collected at Trona and Stubberud prospects as part of an initial field inspection of the area. Results are presented in a separate file attached to this report.

All available NGU and Mining Directorate archived reports on the geology, geophysics and geochemistry and exploration of the claims was acquired in pdf format and reviewed. Note Blackstone Ventures did not report on their exploration during 2007 and 2008 when the most significant exploration/resource definition work was being conducted on Dalen and Stormyra which is to the detriment of the property.

During mid 2012 digital airborne magnetic and electromagnetic data flown by Falconbridge was acquired from the NGU and was reprocessed and imaged for use in a GIS that was compiled of geophysical, geological, drill hole and topographical data on the area.

In August 2012 Drake released information on the Espedalen resources which was a highly conditional Joint Ore Reserve Committee (JORC) restatement of the Blackstone's NI 43 101 release of resources for Stormyra and Dalen to the ASX. The conditional release was caused in part because of the missing reporting for 2007 and 2008 drilling programs by Blackstone.

A comprehensive review of all the data was conducted in late 2012 and in Jan 2013 a comprehensive report of the exploration potential of the area titled "Review of Exploration Conducted and Remaining Potential within Drake Resources Ltd Espedalen District Nickel Claims and Outline Program and Budget" was prepared by the author and was submitted to the board.

The review recommended further ground EM and drilling in Phase 1 for outlining of the Dalen and Stormyra resources and to test highly prospective targets at Trona and Megrundtjern and other prospects in the area followed by a Phase 2 resource delineation and definition program at Dalen and any other prospects that warranted such work. The program was not funded pending a review of the resources and the need to issue a JORC compliant resource.

During 2013 Drake endeavoured to gather further data on Dalen and Stormyra resources with a view to defining Joint Ore Reserve Committee (JORC) compliant resources.

Consultant geologist Bruce Armstrong prepared a report titled, "Technical Report on Resource Estimates for the Stormyra and Dalen Deposits, Southern Norway."

Later in October Drake released a JORC compliant resource for Stormyra and Dalen to the ASX.

With the funding environment becoming ever tighter Drake looked at a possible higher grade focussed program of drilling at Megrundtjern but this was also not approved.

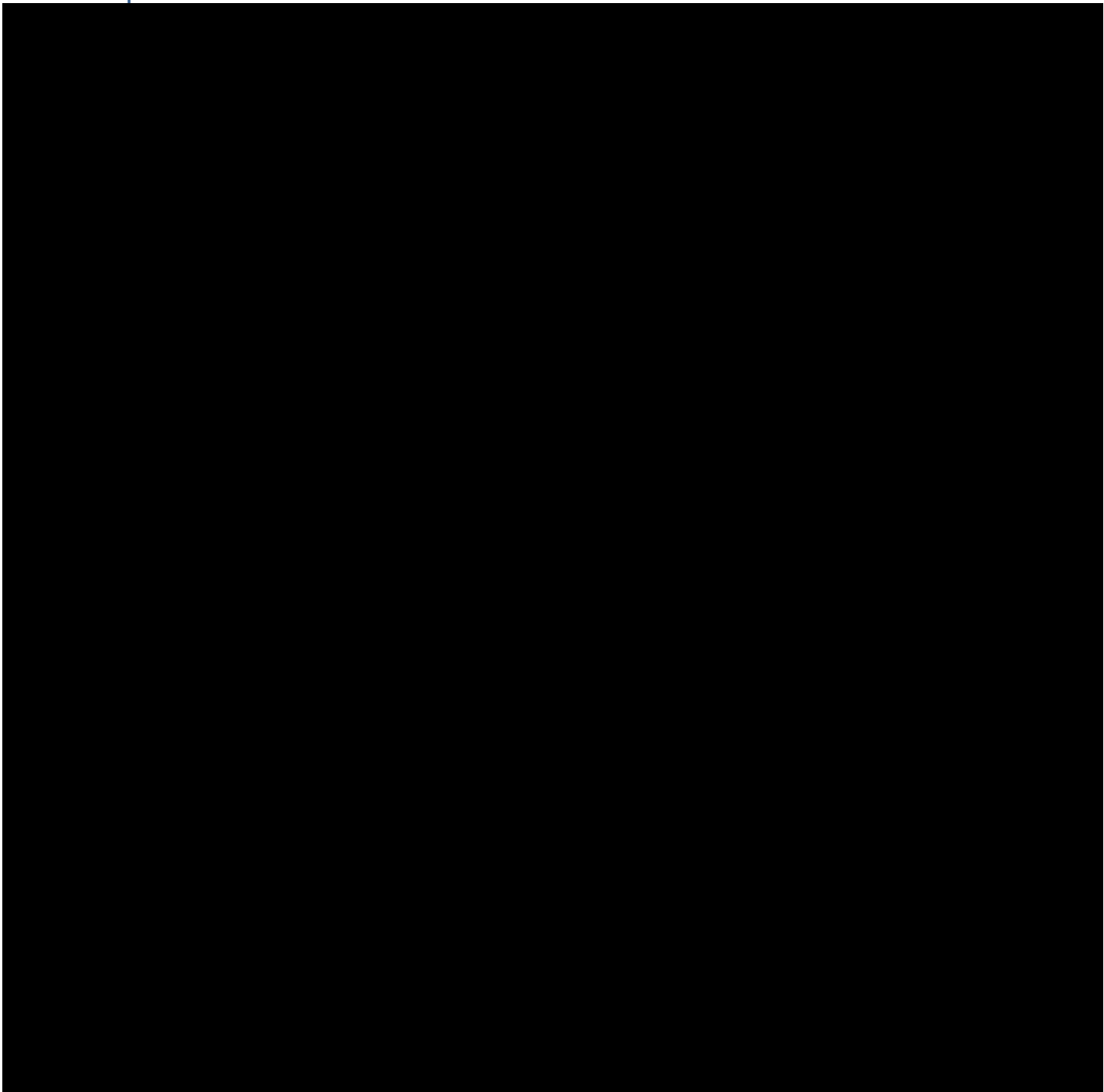


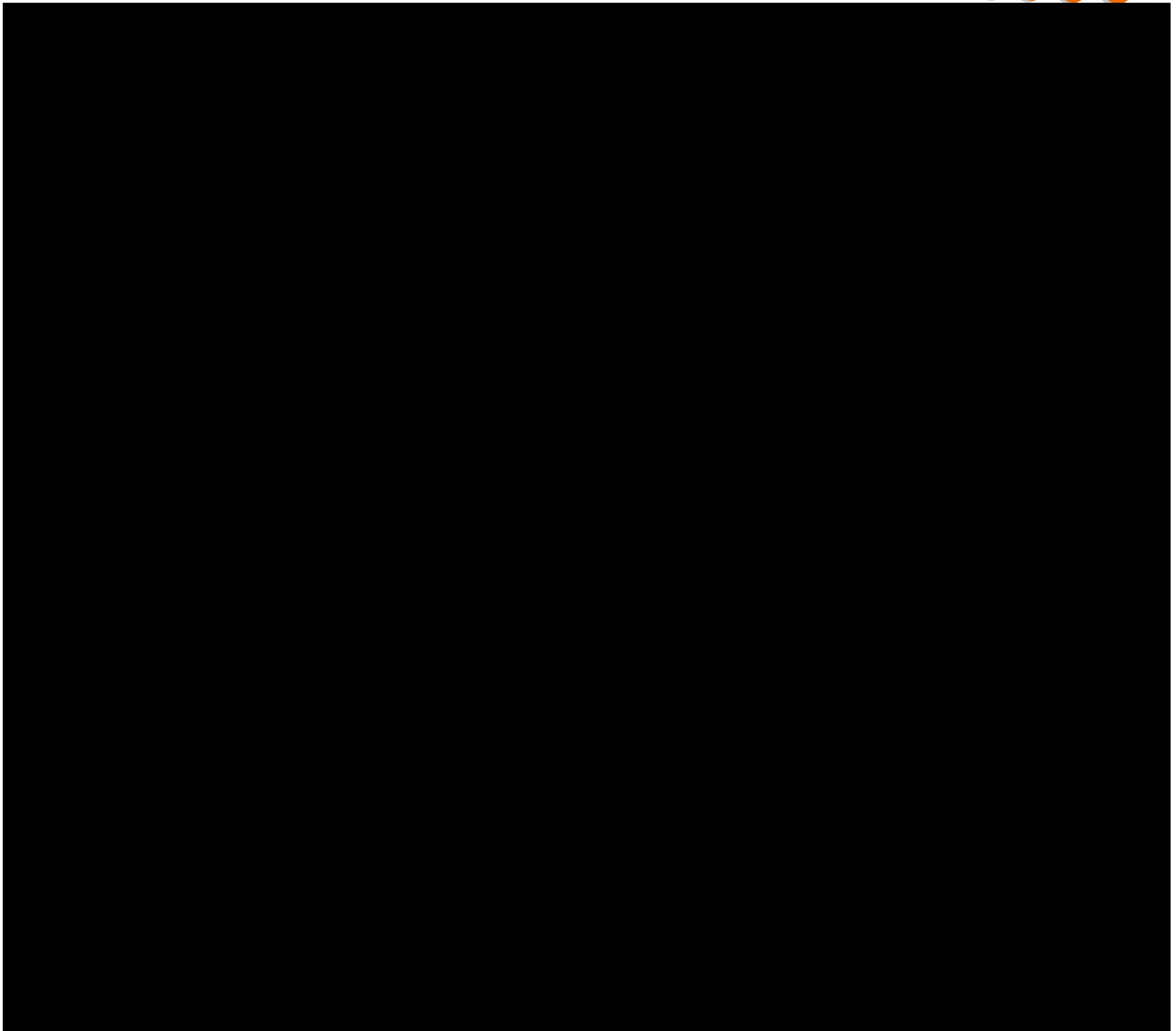
No further work was conducted and because of the funding environment Drake had no option but to relinquish the Espedalen claims.

Conclusion

Drake conducted an extremely comprehensive review of the available data on the Espedalen area and developed a follow up exploration program. However because of a very difficult funding environment the area was relinquished with no significant fieldwork being conducted.

Expenditure Statement





Appendices

Appendix 1. Borton, D.J. 2013. "Review of Exploration Conducted and Remaining Potential within Drake Resources Ltd, Espedalen District, Nickel Claims and Outline Program and Budget"

Appendix 2. Armstrong, B. 2013. "Technical Report on Resource Estimates for the Stormyra and Dalen Deposits, Southern Norway."