

A S X A N N O U N C E M E N T

22 December 2006

OPTION ISSUE

Drake Resources Limited (ASX Code: DRK) (“Drake”) is pleased to announce an option issue.

The issue will be a non-renounceable entitlement issue of one (1) Option for every two (2) Ordinary Shares held by shareholders of Drake as at 5:00pm WST on 5 January 2007, at an issue price of \$0.01 per option, to raise a total of \$156,250, before costs.

The issue will be fully underwritten by Findlay and Co Stockbrokers (Underwriters) Pty Ltd.

The timetable of the option issue is as follows:

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| Lodgement of Prospectus with the ASIC | 22 December 2006 |
| “Ex” date | 29 December 2006 |
| Record Date | 5 January 2007 |
| Dispatch of Prospectus and applications open | 9 January 2007 |
| Closing Date for acceptances | 24 January 2007 |
| Securities quoted on a deferred settlement basis | 25 January 2007 |
| Statements for Options dispatched (anticipated) and deferred settlement trading ends | 29 January 2007 |

Capital raised pursuant to this Issue will be applied as additional working capital and will not affect existing budgets and work programs.

For further information, please contact:

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