

DRAKE RESOURCES LIMITED

ACN 108 560 069

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at
Suite 12, Level 1, 11 Ventnor Avenue, West Perth WA 6005
on Thursday, 15 March 2018 at 8.30am (WST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6245 2057.

DRAKE RESOURCES LIMITED

ACN 108 560 069

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Drake Resources Limited (**Company**) will be held at Suite 12, Level 1, 11 Ventnor Avenue, West Perth, Western Australia on Thursday, 15 March 2018 at 8.30am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 13 March 2018 at 4.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Issue of Director Options – Mr Eddie King

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 2,000,000 Director Options to Mr Eddie King (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr King (and his nominee) and any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Issue of Director Options – Ms Sara Kelly

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 5,000,000 Director Options to Ms Sara Kelly (or her nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ms Kelly (and her nominee) and any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Issue of Director Options – Mr James Scovell

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 2,000,000 Director Options to Mr James Scovell (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Scovell (and his nominee) and any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person

who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Issue of Director Options – Mr David Wheeler

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 2,000,000 Director Options to Mr David Wheeler (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Wheeler (and his nominee) and any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Issue of Advisor Options – CPS Capital Group Pty Ltd

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 24,000,000 Advisor Options to CPS Capital Group Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of CPS Capital Group Pty Ltd (or its nominee), and a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Section 195 Approval

To consider, and if thought fit, to pass as an **ordinary resolution** with or without amendment the following:

"That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in Resolutions 1 to 4."

Dated 9 February 2018

BY ORDER OF THE BOARD

Sara Kelly
Director
Drake Resources Limited

DRAKE RESOURCES LIMITED

ACN 108 560 069

EXPLANATORY MEMORANDUM

1. Introduction

1.1 General

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 12, Level 1, 11 Ventnor Avenue, West Perth, Western Australia on Thursday, 15 March 2018 at 8.30am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

1.2 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2. Resolutions 1 to 4 – Issue of Director Options

2.1 Background

Pursuant to Resolutions 1 to 4, the Company proposes to grant a total of 11,000,000 Director Options to Mr Eddie King, Ms Sara Kelly, Mr James Scovell and Mr David Wheeler, and/or their nominees at an issue price of \$0.00001 per Director Option.

The primary purpose of the grant of the Director Options is to provide a performance linked incentive component in the Directors' remuneration packages to assist the Company in rewarding their performance, and to align their interests with those of Shareholders. The Board considers that the experience of the Directors will greatly assist the development of the Company. As such, the Board believes that the number of Director Options to be granted to the Directors is commensurate with their value to the Company.

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies. Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Options as approval is being obtained under Listing Rule 10.11.

Each of the directors whom Director Options will be issued is a related party of the Company by virtue of being a Director of the Company.

The Board (other than each Director in relation to the issue of Director Options to them, in which case they decline to make a recommendation) supports the grant of Director Options to each of Mr Eddie King, Ms Sara Kelly, Mr James Scovell and Mr David Wheeler.

2.2 Related Party Approval

The Company is not seeking Shareholder approval for the financial benefit covered by Resolutions 1 to 4 as the Board has resolved that the financial benefit to be provided to the Directors pursuant to the Director Options comes within the reasonable remuneration exemption to Chapter 2E of the Corporations Act 2001 (Cth).

2.3 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director Options is provided as follows:

- (a) The Director Options will be issued to Mr Eddie King, Ms Sara Kelly, Mr James Scovell, and Mr David Wheeler and/or their nominees.
- (b) The maximum number of Director Options the Company can issue to each of the Directors and/or their nominees under Resolutions 1 to 4 is as follows:
 - (i) Mr Eddie King – 2,000,000 Director Options;
 - (ii) Ms Sara Kelly – 5,000,000 Director Options;
 - (iii) Mr James Scovell – 2,000,000 Director Options; and
 - (iv) Mr David Wheeler – 2,000,000 Director Options.
- (c) The Company will issue the Director Options to the relevant Directors and/or their nominees no later than one month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Director Options will be issued on one date.
- (d) The issue price will be \$0.00001 per Director Option. The Company intends to use the funds raised (\$110) from the issue of the Director Options towards working capital.
- (e) The Director Options will be exercisable at \$0.025, will expire on 8 June 2021 and will otherwise be on the terms and conditions set out in Schedule 2.
- (f) A voting exclusion statement is included in the Notice.

3. Resolution 5 – Issue of Advisor Options – CPS Capital Group Pty Ltd

3.1 General

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 24,000,000 Options (**Advisor Options**), in aggregate, to CPS Capital Group Pty Ltd (**CPS Capital**) (and/or its nominees) at an issue price of \$0.00001 per Advisor Option in consideration for capital raising and corporate advisory services provided to the Company by CPS Capital.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The effect of this Resolution 5 will be to allow the Company to issue the Advisor Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The Advisor Options will be issued to the CPS Capital (and/or their nominees), who is not a related party of the Company.
- (b) The maximum number of Advisor Options the Company intends to issue is 24,000,000.
- (c) The Company will issue the Advisor Options no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is expected that the Advisor Options will be issued on one date.
- (d) The issue price will be \$0.00001 per Advisor Option. The Company intends to use the funds raised (\$240) from the issue of the Advisor Options towards working capital.
- (e) The Advisor Options will be exercisable at \$0.025, will expire on 8 June 2021 and will otherwise be on the terms and conditions set out in Schedule 2 (being the same terms and conditions as the Director Options).
- (f) A voting exclusion statement is included in the Notice.

4. Resolution 6 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

The Directors may have a material personal interest in the outcome of Resolutions 1 to 4. In the absence of this Resolution 6, the Directors may not be able to form a quorum at directors’ meetings necessary to carry out the terms of Resolutions 1 to 4.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Schedule 1 - Definitions

Advisor Option means an Option issued pursuant to Resolution 5, and on the terms and conditions set out in Schedule 2.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairman means the chairman of the Meeting.

Company means Drake Resources Limited ACN 108 560 069.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

CPS Capital means CPS Capital Group Pty Ltd (AFSL: 294848).

Director means a director of the Company.

Director Option means an Option issued pursuant to Resolutions 1 to 4, and on the terms and conditions set out in Schedule 2.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Key Management Personnel has the meaning set out in the Listing Rules.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option which entitles the holder to subscribe for one Share (and includes a Director Option or Advisor Option as the context requires).

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 2 – Terms and Conditions of Director Options and Advisor Options

The general rights and liabilities attaching to the Director Options and Advisor Options can be summarised as follows:

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) Each Option has an exercise price of \$0.025 (**Exercise Price**) and the expiry date is 8 June 2021 (**Expiry Date**).
- (c) The Options are exercisable at any time after grant and on or prior to the Expiry Date.
- (d) The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (e) Shares issued on exercise of the Options rank equally with the then Shares of the Company.
- (f) Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (g) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (i) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.
- (j) If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (k) No application for quotation of the Options will be made by the Company.
- (l) The Options are transferable provided that the transfer of the Options complies with section 707(3) of the Corporations Act.
- (m) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

DRAKE RESOURCES LIMITED

ACN 108 560 069

PROXY FORM

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We

(details of registered shareholder)

being member(s) of **DRAKE RESOURCES LIMITED** hereby appoint:

The Chairman of the Meeting (mark box)

OR

If you are **NOT appointing the Chairman of the Meeting** as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of the Company to be held at Suite 12, Level 1, 11 Ventnor Avenue, West Perth, Western Australia on Thursday, 15 March 2018 at 8.30am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 to 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 to 4 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 to 4 by marking the appropriate box in step 2 below. **The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 4.** In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 2 – Instructions as to Voting on Resolutions

PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Director Options – Mr Eddie King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Director Options – Ms Sara Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Director Options – Mr James Scovell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Director Options – Mr David Wheeler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Advisor Options – CPS Capital Group Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Step 3 – Sign

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting.

Lodge your vote:

By hand:

Company Secretary
Drake Resources Limited
Suite 12, Level 1
11 Ventnor Avenue
West Perth WA 6005
Australia

By post:

Company Secretary
Drake Resources Limited
Suite 12, Level 1
11 Ventnor Avenue
West Perth WA 6005
Australia

By facsimile:

+61 8 6245 2050

By email:

cosec@drakeresources.com.au