

DRAKE RESOURCES LIMITED

ACN 108 560 069

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Barrington House,
283 Rokeby Road, Subiaco, Western Australia
on Wednesday, 29 November 2017 at 9.00am (WST).

This Notice of Annual 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 adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6141 3500.

DRAKE RESOURCES LIMITED

ACN 108 560 069

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Drake Resources Limited (**Company**) will be held at Barrington House, 283 Rokeby Road, Subiaco, Western Australia on Wednesday, 29 November 2017 at 9.00am (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 Monday, 27 November 2017 at 4.00pm (WST).

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

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the 2017 Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Note: The vote on Resolution 1 will be an advisory vote of Shareholders only, and will not bind the Directors or the Company.

Voting Prohibition: In accordance with section 250R of the Corporations Act, a vote on this Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
 - (b) a Closely Related Party of such member.
- However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:
- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
 - (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
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3. Resolution 2 – Re-election of Director – Ms Sara Kelly

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

"That Ms Sara Kelly, who was appointed on 1 June 2017, retires in accordance with clause 11.12 of the Constitution and, being eligible, offers herself for re-election, be re-elected as a Director."

4. Resolution 3 – Re-election of Director – Mr James Scovell

"That Mr James Scovell, who was appointed on 1 June 2017, retires in accordance with clause 11.12 of the Constituion and, being eligible, offers himself for re-election, be re-elected as a Director."

5. Resolution 4 – Re-election of Director – Mr Jay Stephenson

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

"That Mr Jay Stephenson who retires in accordance with clause 11.3 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

6. Resolution 5 – Special meeting to be held within 90 days ("Spill Resolution")

To consider in accordance with section 250V of the Corporations Act 2001 (Cth) the following resolution as an **ordinary resolution**:

"That subject to at least 25% of the votes cast in respect of Item 2 (Remuneration Report) being cast against the adoption of the Remuneration Report:

(a) another meeting of the Company's shareholders ("spill meeting") be convened within 90 days of the date of this meeting which is immediately after the conclusion of this AGM;

(b) all of the Company's directors who are directors of the Company when Items 1 and 2 above are considered at this AGM cease to hold office immediately before the end of the spill meeting; and

(c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting to be put to a vote at the spill meeting."

Note: This resolution will only be put if the Company receives a "second strike" under the "two strikes" legislation on its Remuneration Report – that is if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption of the report (see Sections 2.3 and 6 of the Explanatory Memorandum).

Voting Prohibition: In accordance with section 250R of the Corporations Act, a vote on this Resolution 5 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
 - (b) a Closely Related Party of such member.
- However, a person described above may cast a vote on Resolution 5 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:
- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 5; or
 - (d) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

7. Resolution 6 – Approval of 10% Additional Placement Capacity

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue a number of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution 6 by a person who may participate in the 10% Additional Placement Capacity issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of 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.

Dated 27 October 2017

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 Barrington House, 283 Rokeby Road, Subiaco, Western Australia on Wednesday, 29 November 2017 at 9.00am (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.

1.3 Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.drakeresources.com.au or by contacting the Company on +61 8 6141 3500.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2017;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;

- (b) the conduct of the audit;
 - (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (d) the independence of the auditor in relation to the conduct of the audit,
- may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

The Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The vote on Resolution 1 is advisory only and does not bind the Company or its directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

2.2 Proxy voting restrictions

If you elect to appoint as your proxy a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, **you must direct the proxy how they are to vote**. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you elect to appoint the Chair as your proxy (where he or she is also a member of the Key Management Personnel whose remuneration details are also included in the Remuneration Report, or a Closely Related Party of such a member), you **do not** need to direct the Chair how you wish them to exercise your vote on Resolution 1. However, if you do not direct the Chair how to vote, you **must mark the acknowledgement on the Proxy form to expressly authorise the Chair to exercise his or her discretion** in exercising your proxy even though the Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

2.3 Voting Consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote (**Second Strike**). If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting within 90 days of the second annual general meeting (**Spill Meeting**).

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved,

other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.4 Previous Voting Results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were more than 25%. Accordingly, the Company is required to put to the shareholders at this AGM a resolution (**Spill Resolution**) proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company. A spill resolution has been included as Resolution 5.

3. Resolution 2 – Re-election of Director – Ms Sara Kelly

As announced on 1 June 2017, Ms Sara Kelly was appointed as a director of the Company on that date. In accordance with clause 11.12 of the Company's Constitution, she is required to retire as a director of the Company at this annual general meeting.

Being eligible to do so, Ms Kelly seeks re-election as a director of the Company.

Ms Kelly is a corporate lawyer and Partner at Edwards Mac Scovell Legal (a Perth based law firm). Ms Kelly has significant transactional and industry experience having both worked in private practice as a corporate advisor and as in house counsel. Ms Kelly's experience includes the administration of regulatory frameworks and processes in a listed company environment, acquisitions, takeovers, capital raisings and listing of companies on ASX and AIM.

Apart from Ms Kelly (who abstains from making a recommendation on this resolution), your directors unanimously recommend that you vote **FOR** Resolution 2.

All shareholders may vote for this resolution.

4. Resolution 3 – Re-election of Director – Mr James Scovell

As also announced on 1 June 2017, Mr James Scovell was appointed as a director of the Company on that date. In accordance with clause 11.12 of the Company's Constitution, he is required to retire as a director of the Company at this annual general meeting.

Being eligible to do so, Mr Scovell seeks re-election as a director of the Company.

Mr Scovell is a corporate lawyer with over 15 years' experience. Mr Scovell is a member of the Western Australian Bar Association (WABA) in 2014. He achieved his Bachelor of Laws from the University of Western Australia. Mr Scovell currently practices from Francis Burt Chambers where he acts for a broad range of clients, including ASX listed entities and financial institutions. Mr Scovell's work includes matters involving corporate and personal insolvency, commercial law, corporations, disciplinary tribunals, equity, insurance, professional negligence, property law, taxation, and trade practices.

Apart from Mr Scovell (who abstains from making a recommendation on this resolution), your directors unanimously recommend that you vote **FOR** Resolution 3.

All shareholders may vote for this resolution.

5. **Resolution 4 – Re-election of Director – Mr Jay Stephenson**

Clause 11.3 of the Constitution requires that at the Annual General Meeting in every year one third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director) must retire from office. Clause 11.4 of the Constitution provides that a Director who retires under clause 11.3 is eligible for re-election.

Pursuant to clause 11.3 of the Constitution, Mr Stephenson will retire and seek re-election.

Mr Stephenson has been involved in business development for over 25 years including approximately 20 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

Mr Stephenson provides services in IPO management, company administration and corporate governance and is currently a non-executive Chairman of Yonder & Beyond Group Limited, and is a Director of Blina Minerals NL, Drake Resources Limited, Doray Minerals Limited, Nickelore Limited and Strategic Minerals Corporation NL as well as Company Secretary for a number of ASX listed resource and industrial companies

Apart from Mr Stephenson (who abstains from making a recommendation on this resolution), your directors recommend that you vote **FOR** this Resolution 4.

All shareholders may vote for this resolution.

6. **Resolution 5 - Special meeting to be held within 90 days (“Spill Resolution”)**

This Resolution will only be put to the meeting if the Company receives a Second Strike on its Remuneration Report as explained in Section 2.3.

If more than 50% of the shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the 2017 AGM. All of the directors of the Company who were in office when the 2017 Directors Report was approved will cease to hold office immediately before the end of the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the Company.

Shareholders should be aware that each director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report and if Resolution 5 is put to the meeting the Board unanimously recommends that shareholders vote against Resolution 5 on the basis that a Spill Meeting would be disruptive and costly and in the Board’s view it would be inappropriate to remove all of the non-executive directors in the circumstances.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to shareholders with details about those persons that will seek election as Directors of the Company at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

7. Resolution 6 – Approval of 10% Additional Placement Capacity

7.1 General

Resolution 6 seeks approval, from shareholders by special resolution, to give the Company additional capacity to issue or agree to issue Equity Securities up to 10% of the Company's total fully paid ordinary securities (within 12 months following the approval) in addition to the 15% permitted under Listing Rule 7.1, without further member approval (**Additional Placement Capacity**).

The information below provides more background on Listing Rule 7.1A and the disclosure required by Listing Rule 7.3A.

The Board considers it is in the Company's best interests to have the opportunity to take advantage of the flexibility to be able to issue additional securities provided under Listing Rule 7.1A. No decision has been made by the Board to undertake any issue of securities if Shareholders approve Resolution 6. The Board believes that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 6.

7.2 Description of Listing Rule 7.1A

(a) Additional Placement Capacity

Under Listing Rule 7.1A, an eligible entity may seek approval from members by special resolution at its annual general meeting to have the Additional Placement Capacity.

If approved, the Additional Placement Capacity will allow the Company for a period of 12 months from the date of the Meeting to issue or agree to issue Equity Securities equal to 10% of the number of total fully paid ordinary securities on issue (on a 12 month look back basis) on a non-pro rata basis.

(b) Eligible entity

Under the Listing Rules, an "eligible entity" is an entity which, as at the date of the relevant resolution, is not included in the S&P/ASX300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300 million. As at the date of this Notice, the Company is an "eligible entity".

(c) Special resolution

The Additional Placement Capacity requires shareholder approval by way of a special resolution at an annual general meeting. This requires at least 75% of the votes to be cast in favour of the resolution by members entitled to vote on the resolution.

(d) Securities which may be issued under the Additional Placement Capacity

Under the Additional Placement Capacity, the Company must issue Equity Securities belonging to an existing quoted class of the Company's Equity Securities. As at the date of this Notice, the Company has on issue one class of quoted Equity Securities, being fully paid ordinary shares (ASX Code: DRK).

(e) Formula for calculating 10% Additional Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid ordinary securities that became fully paid ordinary securities in the 12 months;
 - (C) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval,
 - (D) less the number of fully paid ordinary shares cancelled in the 12 months.
- Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.
- D** is 10%
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

(f) Minimum Issue Price

The issue price of each Equity Security issued under the Additional Placement Capacity must be no less than 75% of the VWAP for the securities in that class.

The VWAP is to be calculated over the 15 trading days on which trades of securities in that class were recorded immediately before:

- (i) the date on which the issue price is agreed for the securities under the Additional Placement Capacity; or
- (ii) if the securities are not issued under the Additional Placement Capacity within 5 trading days of the date in paragraph (i) above, the date on which the securities are issued.

The Company will disclose this information when Equity Securities are issued under the Additional Placement Capacity.

(g) 10% Placement Period

Under Listing Rule 7.1A.1, the approval for the Additional Placement Capacity must be for a period (**Additional Placement Period**) commencing on the date of the Annual General Meeting and expiring on the earlier of:

- (i) the date that is 12 months after the date of the Annual General Meeting; or
- (ii) if the Company receives Shareholder approval for a proposed transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), the date of that approval.

The Company will only issue the Equity Securities during the Additional Placement Period. The approval under Resolution 6 for the issue of Equity Securities will cease to be valid in the event that members approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(h) Dilution risks

If Equity Securities are issued under the Additional Placement Capacity, there is a risk of economic and voting dilution of existing Shareholders, including the following risks:

- (i) the market price for Equity Securities in the class of securities issued under the Additional Placement Capacity may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A (that is, the date of the Meeting, if Resolution 6 is approved); and
- (ii) the Equity Securities may be issued under the Additional Placement Capacity at a discount to the market price for those Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

| Number of Shares on Issue | Issue Price per Share | \$0.005 | \$0.01 | \$0.02 |
|-------------------------------|-----------------------|-------------------------------------|---------------------|--------------------------------------|
| | | 50% decrease in current issue price | Current issue price | 100% increase in current issue price |
| 312,552,490 (Current) | 10% Voting dilution | 31,255,249 | 31,255,249 | 31,255,249 |
| | Funds Raised | \$156,276 | \$312,552 | \$625,105 |
| 468,828,735 (50% increase) | 10% Voting dilution | 46,882,873 | 46,882,873 | 46,882,873 |
| | Funds Raised | \$234,414 | \$468,829 | \$937,657 |
| 625,104,980 | 10% Voting dilution | 62,510,498 | 62,510,498 | 62,510,498 |

| | | | | |
|------------------------|---------------------|-----------|-----------|-------------|
| (100% increase) | Funds Raised | \$312,552 | \$625,105 | \$1,250,210 |
|------------------------|---------------------|-----------|-----------|-------------|

The examples in the above table are based on the following assumptions:

- (i) The Company issues Shares for cash under the Additional Placement Capacity and no other types of quoted Equity Securities.
- (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iii) Other than as indicated in the table, the Company does not issue any additional Equity Securities during the Additional Placement Period.
- (iv) The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the existing 15% placement capacity under Listing Rule 7.1.
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder based on that Shareholder's holding at the date of the Meeting.
- (vi) No Options are exercised during the Additional Placement Period and before the date of the issue of the Equity Securities.
- (vii) The issue price is \$0.01, being the issue price of each Share under the Prospectus dated 30 June 2017 and Supplementary Prospectus dated 7 September 2017 (together, the **Prospectus**). As at 18 October 2017, the last recorded sale price of the Shares on the ASX was \$0.002. However, the Company notes that its securities have been in voluntary suspension since 23 September 2016 and it is currently working toward reinstatement to the ASX. The Prospectus closed on 13 October 2017 fully subscribed.

- (i) The purposes for which the Company will issue Equity Securities

The Company may issue Equity Securities under the Additional Placement Capacity for the following purposes:

- (i) to provide non-cash consideration for new asset purchases or investments; or
- (ii) to raise cash to fund:
 - (A) general working capital expenses; or
 - (B) appropriate acquisitions of new assets and investments (including any expenses associated with such an acquisition).

On issue of any Equity Securities issued pursuant to approval sought by Resolution 6, the Company will comply with the disclosure requirements described in ASX Listing Rules 7.1A.4 and 3.10.5A. If Equity Securities are issued for non-cash consideration, the Company will at the time of issue of the Equity Securities provide a valuation of the non-cash consideration that demonstrates that the issue price of the securities are at or above the minimum issue price, in accordance with the Note to ASX Listing Rule 7.1A.3. The Company intends to maintain the ability to issue securities under ASX Listing Rule 7.1A for non-cash consideration.

- (j) What is the allocation policy?

The Company's allocation policy and the identity of the recipients of Equity Securities issued under the Additional Placement Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion.

No decision has been made in relation to an issue of Equity Securities under the Additional Placement Capacity, including whether the Company will engage with new investors or existing Shareholders, and if so the identities of any such persons.

However, when determining the allocation policy and the identity of the recipients, the Company will have regard to the following considerations:

- (i) the purpose for the issue of the Equity Securities;
- (ii) the financial situation and solvency of the Company;
- (iii) impacts of the placement on control;
- (iv) other methods of raising capital; and
- (v) advice from corporate, financial and broking advisers (if applicable).

Recipients may include existing Shareholders or new investors, but not persons who are related parties or associates of related parties of the Company. If the issue is made in connection with the acquisition of assets, the recipients may be the sellers of those assets.

(k) Details of approvals under Listing Rule 7.1A previously obtained by the Company

For the purposes of Listing Rule 7.3A.6, the Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Schedule 1 - Definitions

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2017.

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.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the chairman of the Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company means Drake Resources Limited ACN 108 560 069.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

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

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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 an Advisor Option, Director Option or Lender Option as the context requires).

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

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.

Spill Meeting has the meaning set out in Section 2.3.

Spill Resolution has the meaning set out in Section 2.3.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

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.

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 283 Rokeby Road, Subiaco, Western Australia on Wednesday, 29 November 2017 at 9.00am (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 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 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 and 5 by marking the appropriate box in step 2 below. **The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1 and against Resolution 5.** 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 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Director – Ms Sara Kelly | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Director – Mr James Scovell | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Re-election of Director – Mr Jay Stephenson | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Special Meeting to be held within 90 days (Spill Resolution) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Approval of 10% Additional Placement Capacity | <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
283 Rokeby Road
Subiaco WA 6008
Australia

By post:

Company Secretary
Drake Resources Limited
283 Rokeby Road
Subiaco WA 6008
Australia

By facsimile:

+61 8 6141 3599