
DRAKE RESOURCES LIMITED

ABN 12 108 560 069

NOTICE OF GENERAL MEETING

TIME: 11:00am

DATE: 11 October 2007

PLACE: QV1 Conference Centre
Level 2, 250 St Georges Terrace
Perth, Western Australia

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9228 0703.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Drake Resources Limited which this Notice of Meeting relates to will be held at the Function Room at 11:00am on 11th October 2007 at:

QV1 Conference Centre
Level 2, 250 St Georges Terrace
Perth, Western Australia

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

- (a) by post to Drake Resources Limited, Unit 6, 34 York Street North Perth, Western Australia 6006; or
- (b) by facsimile to the Company on facsimile number (08) 9228 0704,

so that it is received not later than 11:00am WST on 9th October 2007.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Drake Resources Limited (**Company**) will be held at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, Western Australia at 11:00am WST on 11th October 2007.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on 9 October 2007 at 5.00pm.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – ALLOTMENT AND ISSUE OF SHARES AND OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 2,900,000 Shares at an issue price of \$0.15 per Share together with up to 1,650,000 Options, on the terms set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: Under Listing Rule 7.1, the Company may issue up to 15% of its ordinary share capital in any 12 month rolling period without shareholder approval. By obtaining the prior approval of Shareholders for the issue of securities proposed under this Resolution, the Company retains the flexibility to make future issues of securities up to that threshold. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

2. RESOLUTION 2 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.4, and for all other purposes, shareholders ratify the allotment and issue of 400,000 Shares at an issue price of \$0.15 per Share, on the terms set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: An equity issue can be ratified by shareholders in accordance with the Listing Rules to reinstate the Company’s capacity to issue up to 15% of its issued capital, if required in the next 12 months without shareholder approval. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue of the securities and any associate of those persons.

3. RESOLUTION 3 - PLACEMENT OF OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 10,000,000 Options at an issue price of \$0.02 per Option to raise up to \$200,000 on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

DATED: 2 September 2007

BY ORDER OF THE BOARD

DRAKE RESOURCES LIMITED

Jay Stephenson

Company Secretary

Voting Exclusion Note:

Where a voting exclusion applies, 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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, Western Australia on 11 October 2007 at 11:00am (WST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. BACKGROUND

The Company intends to make a placement to clients of Taylor Collison Limited (**Subscribers**). As part of the placement, the Company has already issued 400,000 Shares to Taycol Nominees Pty Ltd, a nominee of Taylor Collison Limited. It proposes to issue a further 2,900,000 Shares to the Subscribers at an issue price of 15 cents per Share to raise \$435,000, together with 1,450,000 free attaching Options on the basis of one (1) Option for every two (2) Shares allotted and issued to a Subscriber. It also proposes to issue a further 200,000 Options to Taycol Nominees Pty Ltd (who has already been allotted 400,000 Shares) on the basis of one (1) Option for every two (2) Shares subscribed.

2. RESOLUTION 1 – ALLOTMENT AND ISSUE OF SHARES AND OPTIONS

2.1 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an Option) if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders in a general meeting.

The Company is seeking approval under this Listing Rule for the proposed offer of up to 2,900,000 Shares and 1,650,000 Options pursuant to the terms of the Subscription Agreement, to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- (a) the maximum number of securities to be issued is 2,900,000 Shares and 1,650,000 Options;
 - (b) the Shares will be issued at a price of \$0.15 per Share;
 - (c) the Options will be issued free on the basis of one (1) Option for every two (2) Shares allotted and issued plus an additional 200,000 Options to Taycol Nominees as described in Section 1 above;
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- (d) the Shares and Options will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the Shares will rank equally with the Company's current issued Shares and the Company will seek quotation of the Shares on ASX;
- (f) the Options will be issued on the terms set out in Section 2.2 below;
- (g) it is intended that allotment of the Shares and Options will occur on one date;
- (h) the Shares and Options will be offered to clients of Taylor Collison Limited. Additionally, 200,000 Options will be issued to Taycol Nominees Pty Ltd. No Shares or Options will be issued to any related parties or associates of the Company; and
- (i) the Company intends to use the funds raised from the issue of the Shares for the development of projects in Sweden that form part of the Zinifex Limited Alliance and for working capital.

2.2 Terms of Options

The material terms and conditions of the Options are as follows:

- (a) the Options will be exercisable at any time prior to 5.00pm WST on 31 December 2009 (**Option Expiry Date**). Options not exercised on or before the Option Expiry Date will automatically lapse;
 - (b) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
 - (c) each Option will entitle the holder to subscribe (in respect of each Option held) for a Share with an exercise price of \$0.20;
 - (d) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted official quotation by ASX;
 - (e) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;
 - (f) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options;
 - (g) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the ASX Listing Rules; and
 - (h) subject to the Corporations Act and the Constitution, the Options may be transferred at any time prior to the Expiry Date.
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3. RESOLUTION 2 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS

Resolution 2 seeks ratification for the previous issue of 400,000 Shares to Taycol Nominees.

3.1 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Ratification by the shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required in the next 12 months without shareholder approval.

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue of the Options:

- (a) the total number of securities issued was 400,000 Shares;
- (b) the Shares were issued at a price of \$0.15 per Share;
- (c) the Shares were issued on 27 August 2007;
- (d) the Shares rank equally with the Company's current issued Shares and the Company will seek quotation of the Shares on ASX;
- (e) the Options were issued on the terms set out in Section 2.2 above;
- (f) the Shares and Options were issued to Taycol Nominees Pty Ltd; and
- (g) the Company intends to use the funds raised from the issue of the Shares for the development of projects in Sweden that form part of the Zinifex Limited Alliance and for working capital.

4. RESOLUTION 3 – PLACEMENT OF OPTIONS

4.1 General

ASX Listing Rule 7.1 (which is explained in greater detail in Section 1.2 above), requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period.

Resolution 3 seeks Shareholder approval for the allotment and issue of up to 10,000,000 Options to sophisticated investors to be identified by Taylor Collison Limited (**Placement Offer**).

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

4.2 Technical Information Required by ASX Listing Rule 7.1

The following information is provided in relation to the Placement Offer pursuant to and in accordance with ASX Listing Rule 7.3:

- (a) the maximum number of Options to be issued is 10,000,000;
 - (b) the Options will be issued at \$0.02 per Option;
 - (c) the Options will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
 - (d) the Options will be offered to clients of Taylor Collison Limited. No Options will be issued to any related parties or associates of the Company;
 - (e) it is intended that allotment of the Shares and Options will occur on one date;
 - (f) the Options will be issued on the terms set out in Section 2.2 above; and
 - (g) the Company intends to use the funds raised from the Placement Offer for development of projects in Sweden that form part of the Zinifex Limited Alliance and for working capital.
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GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company means Drake Resources Limited (ACN 108 560 069).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement to the Memorandum.

Notice means the notice of meeting which forms part of this Memorandum.

Option means an unlisted option to acquire a Share on the terms and conditions set out in Section 2.2 of this Explanatory Statement.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

WST means Western Standard Time.

PROXY FORM

**APPOINTMENT OF PROXY
DRAKE RESOURCES LIMITED
ABN 12 108 560 069**

GENERAL MEETING

I/We

being a Member of Drake Resources Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, Western Australia, on 11 October 2007 at 11:00am (WST) and at any adjournment thereof.

Voting on Business of the General Meeting

| | | FOR | AGAINST | ABSTAIN |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Allotment and Issue of Shares and Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Ratification and Issue of Shares and Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Placement of Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

OR

In relation to the Resolution, if the Chairman is to be your proxy and you do **not** wish to direct your proxy how to vote on this Resolution, please place a mark in this box

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on the Resolution and your votes will not be counted in computing the required majority if a poll is called on the Resolution. The Chairman intends to vote in favour of the Resolution.

IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO RESOLUTION 1 YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO THE RESOLUTION WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signed this

day of

2007

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

DRAKE RESOURCES LIMITED
ABN 12 108 560 069

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.