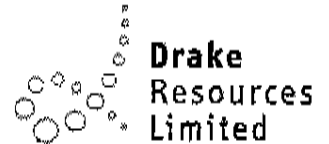


Drake Resources Limited ACN 108 560 069 ABN 12 108 560 069
Registered Office 6/34 York Street North Perth Western Australia 6006
PO Box 35 North Perth Western Australia 6906
Phone 08 9228 0703 Fax 9228 0704



6 July 2011

Fiona Murphy
Adviser, Listings Perth
ASX Compliance Pty Ltd
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By email – fiona.murphy@asx.com.au

Dear Fiona

DRAKE RESOURCES LIMITED (THE 'COMPANY')

I refer to your letter dated 5 July 2011 in relation to an initial Director's interest for Mr James Merrillees lodged on 5 July 2011 and respond as follows:

1. The Appendix 3X was lodged late due to an oversight.
2. The Company has a policy that new directors must inform the Company Secretary via email of any shares held in the Company as soon as they are appointed.
3. The Company believes that the Company's current policies are adequate for Compliance with listing rule 3.19B.

Kind regards

A handwritten signature in black ink, appearing to be "Jay Stephenson", written over a circular scribble.

Jay Stephenson
COMPANY SECRETARY



ASX Compliance Pty Limited
ABN 26 067 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

5 July 2011

Mr Jay Stephenson
Drake Resources Limited
Unit 6, 34 York Street
North Perth
WA 6006

By email: jay@drakeresources.com.au

Dear Jay

Drake Resources Limited (the "Company") Appendix 3X – Initial Director's Interest Notice

We refer to the following:

1. The Appendix 3X lodged by the Company with ASX Ltd ("ASX") on 5 July 2011 regarding an initial director's interest for James Merrillees ("Appendix 3X").
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3X indicates that James Merrillees commenced as a director of the Company on 17 May 2011. It appears that the Appendix 3X should have been lodged with ASX by 24 May 2011. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the director concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3X was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to fiona.murphy@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **5:00 pm WST on Thursday 7 July 2011**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

[sent electronically without signature]

Fiona Murphy
Adviser, Listings (Perth)