



DRAKE RESOURCES LIMITED
ABN 12 108 560 069

Interim Financial Report
for the half year ended 31 December 2008

Note:

The information contained herein should be read in conjunction with the most recent annual report.

Drake Resources Limited
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**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES**
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2008.

Directors

The names of directors who held office during or since the end of the half-year:

Brett Fraser

Robert Beeson

Jay Stephenson

Review of Operations

Exploration

Drake now holds a 100% equity interest in all properties in Sweden and Queensland following the departure of OZ Minerals from its properties

Exploration programs continue in Drake's exploration areas in Sweden. Drake has now established a database of all assays of past drill core carried out by the original owners of the Falun copper-zinc-gold mine

A detailed airborne electromagnetic survey for the Falun and Bersbo Project Areas has been completed; final data has now been delivered by the contractor

Drill holes have been permitted to follow up very positive assay results for rock chip samples collected over a 1km line of old workings at the Digertäkt prospect approximately 5km north east of the Falun copper zinc mine. Assays report up to 27.1% Zn, 14.2% Pb and 210 ppm Ag in separate samples. 10 of the 16 samples collected report in excess of 10% Zn.

Rex Minerals Ltd has taken over management of the Mt Carrington Project, NSW. Rex has defined a new inferred resource of at Mt Carrington for a total of 190,000ozs of gold and 10.5Mozs of silver.



Drake exploration regions

DRAKE RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 12 108 560 069

INTERIM FINANCIAL REPORT DECEMBER 2008

The main focus of the Drake Resources activities in the period has been the projects in Sweden that were previously the subject of joint ventures with OZ Minerals Ltd. Drake has been seeking a partner to provide the funding needed to progress the projects in the manner that their prospectivity demands. In addition the acquisition and processing of the assay data for past drilling at the Falun mine site has greatly advanced the knowledge base for the deposit.

SWEDEN PROPERTIES

OZ Minerals has withdrawn from all projects in which it has previously been exploring with Drake. Drake now has a 100% interest in the joint ventures and properties previously held in both the strategic alliance and in joint ventures in Sweden and Queensland.

COPPER-GOLD-ZINC PROJECTS, SWEDEN (DRAKE 100%)

The VTEM airborne electromagnetic survey

The major, detailed airborne electromagnetics survey over ten of the Drake-Zinifex licence areas in Sweden has now been completed. This survey used the state-of-the-art helicopter-borne time-domain VTEM system. The contract area was 2,983 line kilometres covering 270 square kilometres.

These licence areas cover:

- The Falun copper-zinc mine, and prospective rocks in the Falun belt
- The prospective belt immediately north of Falun
- The area surrounding the historic Bersbo mine.

Final data has now been received from the contractor, Geotech. The data is now being processed by the Drake geophysicist.

Initial processing of the data has identified several high priority conductors. These are being further analysed, and will be field checked after snow-melt in the northern summer.

The Falun copper-zinc mine

Falun was first mined around 700AD, and was the largest copper producer in Europe during the 17th and 18th centuries. Mining finally ceased there in 1992. Records show that more than 35 million tonnes of high-grade ore were mined containing on average 1-3% Cu, 2-6% Zn and 1-7 g/t Au. Falun is regarded as one of the World's great, massive sulphide mineralising systems.

At Falun, there are two main ore types. The bulk of the mined orebody was made up by pyritic copper-zinc-gold massive sulphide ores. In addition high-grade pods of siliceous copper-gold ore occur in what is interpreted to be the footwall alteration zone.

There has been no exploration at the Falun mine for almost two decades. A review of the last exploration work undertaken at the mine shows that the approach was limited to *ad hoc* drilling around the edges of the orebody for extensions of the massive sulphides.

Drake considers that there is potential for substantial discoveries near the old mine, particularly east of the pit. Falun is located within a major siliceous alteration zone that extends continuously for eight kilometres within the Drake licence. The zone is up to 800 metres in width, and appears to continue at this size with depth. Comparisons with similar major ore systems such as Rosebery and Golden Grove suggest that only a small part of the potential ore system at Falun has been effectively explored.

The ongoing work by Drake at Falun has confirmed that extensive mineralisation remains in the immediate vicinity of the mine. Drake has put in place a programme to assess the economic potential of remaining ore and new orebodies that have yet to be identified.

All of the existing 1445 drill holes for the mine area have been digitised into a database. This is the first time that a digital drill hole database has been established for the mine. The drill holes have now been entered into the model, and give the first indications of what areas have been tested, and where mineralisation has been found, in three dimensions.

DRAKE RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 12 108 560 069

INTERIM FINANCIAL REPORT DECEMBER 2008

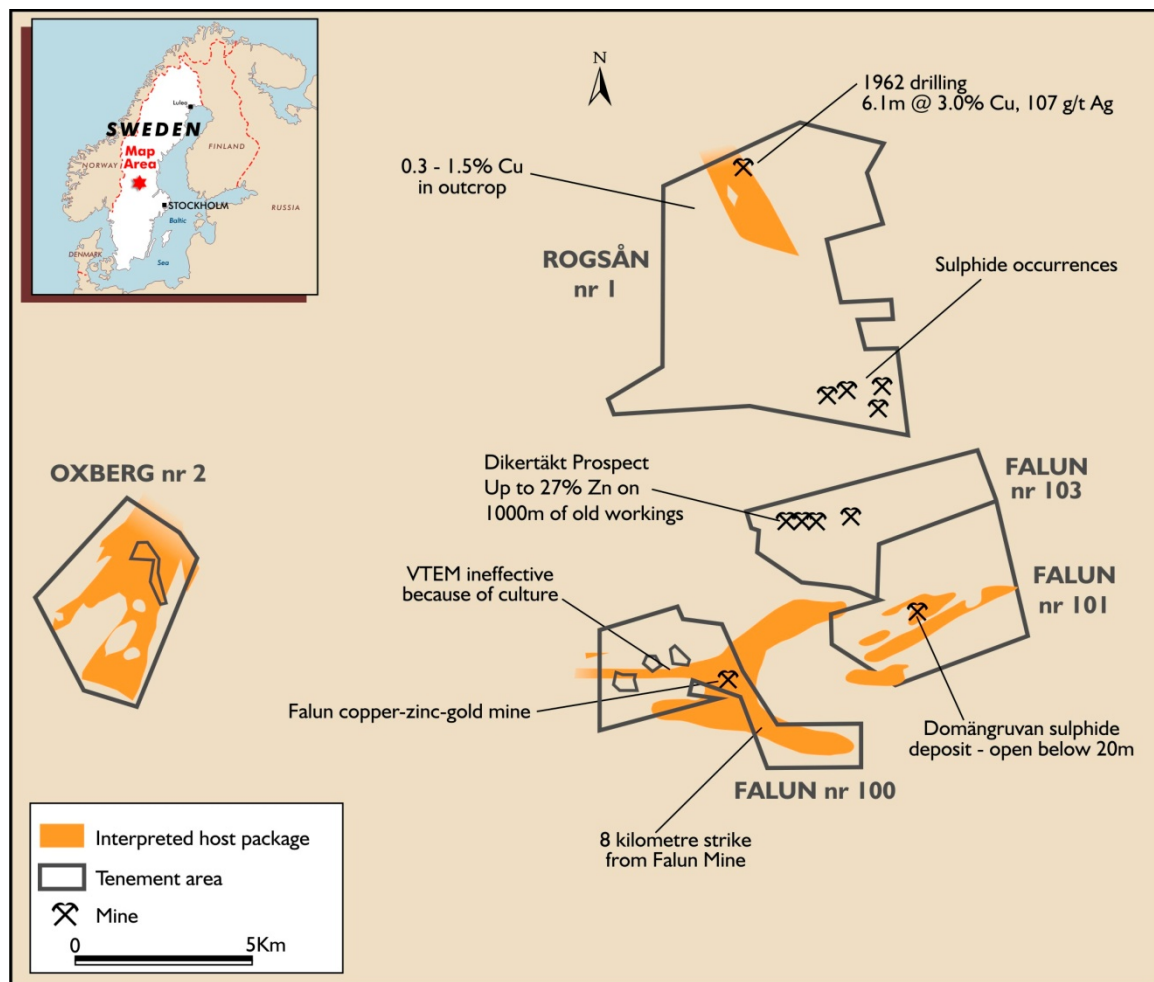
Drake has made considerable progress in establishing the drill hole assay database, and generating plans and sections from this database. Drake Resources received assays for 985 drill holes at Falun in October.

In parallel to work on the assay data Drake has been entering data for the logged sulphide mineralogy for the mine drilling. This is an important set of data for the mine, as there was no consistent pattern for assaying of the drill core. As much of the drill core is lost, the combination of mineralogy and assays provide useful information in defining the distribution of mineralised zones in the mine.

Initial work has focussed on the largely un-mined copper-gold orebodies at Falun. These have considerable volume both east and west of the main massive sulphide body. They received only limited testing by the miners, because they were focussed on massive sulphide ores.

The Falun District Project

The Falun District Project comprises four permits within 20 kilometres of the city of Falun: Rogsån, Falun 101, Falun 103 and Oxberg.



Falun District *The Falun Project exploration licences and immediate targets*

Rogsån Exploration Licence

Rogsån is part of Drake's portfolio of properties around the mining centre of Falun. Drake has carried out a programme of re-assays of recently accessed drill core from a drilling programme completed 46 years ago.

The copper, silver and zinc assays show several significant mineralised intercepts, including:

DRAKE RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 12 108 560 069

INTERIM FINANCIAL REPORT DECEMBER 2008

The drill hole intersections are as follows:

Hole No	From	Intersect	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Rogsån 001	21.0m	2.0m	0.4	1.1	3.4	32
Rogsån 005	20.5m	9.5m	1.2	0.1	0.5	30
Rogsån 006	6.1m	6.1m	3.0	0.3	0.7	107

The mineralised glacial boulder trains in the area demonstrate the potential of the area. Boulders containing between 0.5% and 3.8% copper have been found on the surface over a distance of 5 kilometres. Often referred to as a boulder train, the boulders have been transported by glacial action, and the source area is interpreted to lie within the northern part of the licence area. At this stage, it is not known whether the boulder trains are derived from a single bedrock source or multiple sources as they have only been tested by the two drill holes.

Digertåkt, Sweden

The Digertåkt Prospect is a high grade base metal target covering old mine workings. The Prospect occurs within the exploration licence Falun 103, approximately five kilometres northeast of the Falun copper-zinc mine.

Digertåkt is a historic mining area, from which ore was once sent to Germany. The prospect forms a line of six shafts that extend over 1,000 metres. The continuity of mineralisation between these shafts is not known.

It appears that these pits fall on a single geological horizon, which occurs in a felsic volcanic unit similar to most of the copper-zinc ores in the region. The sulphide rocks occur with highly magnesian rocks which typifies many of the ore deposits of the district such as Falun.

Massive sulphide mineralisation is readily apparent in the material on the waste dumps close to the shafts. This material is particularly rich in the zinc sulphide mineral, sphalerite. These assays indicate the exceptional zinc grade of the material that was mined at Digertåkt with up to 27.1% Zn and 10 of the 16 samples reporting above 10% Zn. In addition lead (maximum 14.2%) and silver (maximum 210 ppm) are also at high grades in some samples.

Geological reconnaissance in the till covered areas north of the workings that have been sampled has discovered mineralised boulders, suggesting that there is more than one mineralised horizon at Digertåkt.

The VTEM survey has defined three significant conductors at Digertåkt. Two of these are to the east of the historic workings, and suggest that the mineralised trend extends well beyond the workings. These anomalies will be field checked in the coming northern summer.

MT CARRINGTON SILVER-GOLD, NEW SOUTH WALES (OPTIONED TO REX MINERALS LTD)

Drake has granted an option to Rex Minerals Limited (Rex) to purchase all of its interests in the Mt Carrington gold-silver project in northern NSW. These interests include Drake's option to purchase a 90% participating interest in 22 mining and related leases from Virotec International PLC (Virotec), Drake's 90% interest in EL 6273 with Cazaly Resources Ltd (Cazaly), and its 100% interests in ELs 6452 and 6453. Drake's agreement with Rex followed lengthy discussions involving all four companies with a view to restructuring the project for advanced-stage exploration and resource assessment.

Rex Minerals has completed a comprehensive review of the drilling and geological information from the Mt Carrington Project, leading to an updated Resource estimate. The results from this work are summarised in the table below.

MT CARRINGTON INFERRED RESOURCES

Gold Resources

Deposit	Tonnes	Gold grade (g/t)	Gold ounces	Silver grade (g/t)	Silver ounces
Strauss	1,150,000	2.1	78,000	5.0	185,000
Kylo	1,370,000	1.6	71,000	3.2	141,000
Guy Bell	160,000	2.5	13,000	4.9	25,000
Sub-Total	2,680,000	1.9	162,000	4.1	351,000

Silver Resources

Deposit	Tonnes	Gold grade	Gold ounces	Silver grade (g/t)	Silver ounces
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**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES**
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008

		(g/t)			
Lady Hampden	1,070,000	0.8	28,000	59	2,030,000
White Rock	4,080,000	-	-	62	8,134,000
Sub-Total	5,150,000		28,000	61	10,164,000
Total	7,830,000		190,000		10,515,000

Summary of the Mt Carrington Inferred Resource estimate completed by Rex Minerals in December 2008.

All gold Resources have been produced using a lower cut-off of 0.5g/t and all silver Resources have been produced using a lower cut-off of 25g/t.

LAKE REBECCA, WESTERN AUSTRALIA (DRAKE 70%)

The Lake Rebecca Project comprises a single exploration licence in the Pinjin Region in the Eastern Goldfields Province of the Archaean Yilgarn Craton of Western Australia. Lake Rebecca is located approximately 100 kilometres east of Kalgoorlie. Gold mineralisation is thought to be spatially associated with the Pinjin Fault System.

Drilling by previous explorers indicates that mineralisation occurs over an area of at least 2km x 0.4km with intercepts of ten to thirty metres true width grading up to 1.5g/t Au down to a depth of approximately 250m in two zones, Redskin in the south west and Round Hill in the north.

An ultra-detailed airborne magnetics survey has been completed by UTS Geophysics to aid the interpretation of geology and mineralisation for the Lake Rebecca licence in 2007. Drake Resources has continued its integration of the past exploration data with the new data generated by the company.

The Lake Rebecca licence contains very extensive areas with moderate grade gold mineralisation, between 0.3 and 1.0 g/t Au. These zones are particularly well developed in the regolith, which is typically 50-60 metres in depth. For example, in the WNW-ESE gold zone in the southwest of the licence that forms the southern part of the Redskin Prospect, this mineralised material is up to 100 metres in width, and extends through much of the regolith. Conversely, in the northern part of the Prospect, the anomalous gold values are restricted to certain layers in the regolith, and the upper regolith is depleted of gold.

The distribution of gold in the primary bedrock is equally variable. In the south of the Redskin Prospect the primary mineralisation is restricted to well defined structures, with limited primary dispersion. Conversely broad zones of anomalous gold mineralisation are defined within the primary zone in the northern sections at the Prospect.

The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. Dr Robert Beeson is a member of the Australian Institute of Geoscientists, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Beeson is a Member of the Australian Institute of Geoscientists.

**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008**

DIRECTORS' REPORT

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 7 for the half year ended 31 December 2008.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'B Fraser'.

**Brett Fraser
Director**

Dated this 11th Day of March 2009

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

This declaration is made in connection with our review of the financial report of Drake Resources Limited and Controlled Entities for the half year ended 31 December 2008 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



RANKO MATIĆ
Director

DATED at PERTH this 11th day of March 2009

**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES**
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008

CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Note	Economic Entity	
		31/12/2008	31/12/2007
		\$	\$
Revenue		23,264	18,528
Gain on Sale of Shares		30,000	-
Unrealised Gain on Shares		12,500	-
Registry and ASX Fees		(16,250)	(32,180)
Audit and Accounting		(14,605)	(8,400)
Depreciation		(6,995)	(8,256)
Public Relations and Advertising		(19,818)	(10,182)
Rent and Utilities		(12,881)	(11,616)
Legal Costs		(5,957)	(5,218)
Insurance		(13,801)	(19,591)
Employee Benefits Expenses		(192,896)	(183,226)
Contractors and Consultants		(36,930)	(285,407)
Computers and Software		(1,160)	(5,136)
Travel & Accommodation		(14,778)	(31,606)
Other expenses		(22,205)	(27,407)
Profit/(Loss) before income tax		(292,512)	(609,697)
Income tax expense			-
Profit/(Loss) from continuing operations	2	(292,512)	(609,697)
Profit/(Loss) for the period	2	(292,512)	(609,697)
Profit/(Loss) attributable to members of the parent entity	2	(292,512)	(609,697)
Overall Operations:			
Basic earnings per share (cents per share)		(0.79)	(1.80)

The accompanying notes form part of these financial statements.

**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES**
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Economic Entity	
	31/12/2008	30/6/2008
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	363,619	442,141
Trade and other receivables	83,248	141,225
TOTAL CURRENT ASSETS	446,867	583,366
NON-CURRENT ASSETS		
Property, plant and equipment	15,168	22,163
Financial Assets	635,000	822,500
Other non-current assets	2,346,501	2,373,008
TOTAL NON-CURRENT ASSETS	2,996,669	3,217,671
TOTAL ASSETS	3,443,536	3,801,037
CURRENT LIABILITIES		
Trade and other payables	82,734	117,270
Short-term provisions	2,814	-
TOTAL CURRENT LIABILITIES	85,548	117,270
TOTAL LIABILITIES	85,548	117,270
NET ASSETS	3,357,988	3,683,767
EQUITY		
Issued capital	4,891,238	4,924,505
Option Premium Reserve	692,225	692,225
Accumulated Losses	(2,225,475)	(1,932,963)
TOTAL EQUITY	3,357,988	3,683,767

The accompanying notes form part of these financial statements.

**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES**
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Share Capital Ordinary	Option Premium Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1/7/2007	4,252,650	394,002	(1,145,938)	3,500,714
Shares issued during period	696,630			696,630
Options issued - net of exercise		203,720		203,720
Capital Raising Costs	(24,775)			(24,775)
Options issued to Consultants		67,613		67,613
Profit attributable to members of parent entity			(609,697)	(609,697)
Balance at 31/12/2007	<u>4,924,505</u>	<u>665,335</u>	<u>(1,755,635)</u>	<u>3,834,205</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Share Capital Ordinary	Option Premium Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1/7/2008	4,924,505	692,225	(1,932,963)	3,683,767
Capital Raising Costs	(33,267)			(33,267)
Profit attributable to members of parent entity			(292,512)	(292,512)
Balance at 31/12/2008	<u>4,891,238</u>	<u>692,225</u>	<u>(2,225,475)</u>	<u>3,357,988</u>

**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES**
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Economic Entity	
	31/12/2008	31/12/2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	63,534	-
Payments to suppliers and employees	(375,752)	(410,033)
Interest received	10,455	(134,095)
Payments for exploration and evaluation, net of joint venture contributions	-	18,528
Net cash provided by (used in) operating activities	(301,763)	(525,600)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(2,242)
Purchase of exploration assets, net of funding	26,507	(18,182)
(Purchase) of/Proceeds of Investments	230,000	-
Net cash provided by (used in) investing activities	256,507	(20,424)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	(33,267)	674,575
Net cash provided by (used in) financing activities	(33,267)	674,575
Net increase in cash held	(78,523)	128,551
Cash at 1 July 2008	442,141	356,666
Cash at 31 December 2008	363,618	485,217

**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES**
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2008**

NOTE 1: BASIS OF PREPARATION FOR INTERIM

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Drake Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realization of assets and settlements of liabilities in the ordinary course of business. The consolidated entity incurred a loss from ordinary activities of \$292,512 for the half year ended 31 December 2008 (2007: \$609,697 loss).

The net working capital position of the consolidated entity at 31 December 2008 was \$361,319 (June 2008: \$466,096) and the net movement in cash held during the half year was a decrease of \$78,522 (2007: an increase of \$128,551).

The ability of the Company and the consolidated entity to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing or selling one of its mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- the Directors have an appropriate plan to raise additional funds as and when they are required. In light of the consolidated entity's current exploration projects, the Directors believe that the additional capital required can be raised in the market; and
- the Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.

Should the Company not be successful in its planned capital raisings, it may be necessary to sell some of its assets, farm out exploration projects, or reduce exploration expenditure by various methods including surrendering less prospective tenements. Although the Directors believe that they will be successful in these measures, if they are not, the Company and the consolidated entity may be unable to continue as a going concern and therefore may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES**
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

NOTE 2: PROFIT FROM ORDINARY ACTIVITIES

Economic Entity	
31/12/2008	31/12/2007
\$	\$

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Consultant Option Expense	-	67,613
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NOTE 3: SEGMENT REPORTING

	Australia	Sweden	Total
	\$	\$	\$
External Sales	2,650	9,783	12,433
Other Revenue	51,961	1,370	53,331
Total Revenue	54,611	11,153	65,764
Profit/(Loss) before Income Tax	(303,410)	10,898	(292,512)
Segment Assets	3,584,002	1,471,087	5,055,089
Contribution from Alliance & JV Partners	(172,533)	(1,439,020)	(1,611,553)
Total Assets	3,411,469	32,067	3,443,536
Total Liabilities	85,291	257	85,548

The Companies' principal activities are exploration of its tenements in Australia and work related to the Zinifex Alliance in Sweden and Australia. The UK Subsidiary had no operations for the period ended 31 December 2008.

NOTE 4: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

There are no subsequent events at reporting date.

**DRAKE RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 12 108 560 069
INTERIM FINANCIAL REPORT DECEMBER 2008**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8-13:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the consolidated group's financial position as at 31 December 2008 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Brett Fraser
Director

Dated this 11th Day of March 2009

Independent Auditor's Review Report

To the Members of Drake Resources Limited

We have reviewed the accompanying half-year financial report of Drake Resources Limited and Controlled Entities (the consolidated entity) which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Drake Resources Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

RLF Bentleys
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Independent Auditor's Review Report

To the Members of Drake Resources Limited (Continued)



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Drake Resources Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of matters described in Note 1 Going Concern to the financial report, uncertainty exists whether Drake Resources Limited will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The ability of the Company and the consolidated entity to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing or selling one of its mineral properties.

Should the Company not be successful in its planned capital raisings, it may be necessary to sell some of its assets, farm out exploration projects, reduce exploration expenditure by various methods including surrendering less prospective tenements. Although the Directors believe that they will be successful in these measures, if they are not, the Company and the consolidated entity may be unable to continue as a going concern.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

BENTLEYS
Chartered Accountants

RANKO MATIĆ
Director

DATED at PERTH this 11th day of March 2009