

16 August 2013

Sandra Wutete
ADVISOR, LISTINGS COMPLIANCE (PERTH)

Email: *Sandra.Wutete@asx.com.au*

Dear Sandra,

RE: DRAKE RESOURCES LIMITED (THE 'COMPANY')

I refer to your letter dated 13 August 2013 in relation to the change of director's interest notices for Mr Brett Fraser, Mr Robert Beeson, Mr Jay Stephenson and Mr James Merrillees which was lodged on 9 August 2013 and respond as follows:

1. The timing of the Appendix 3Y's were lodged late due to an administrative oversight.
2. The Company has a policy where all Directors must inform the Company Secretary via email as soon as possible following the acquisition or sale of securities in the Company.
3. The Company believes that the Company's current policies are adequate for Compliance with listing rule 3.19B.

Yours sincerely,



JAY STEPHENSON
COMPANY SECRETARY



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13 August 2013

Mr Jay Stevenson
Company Secretary
Drake Resources Limited

Dear Jay

Drake Resources Limited (the "Company")

We refer to the following:

1. The Company's announcement lodged with ASX Ltd ("ASX") on 9 August 2013 regarding a change of director's interest notice for Mr Brett Fraser, Mr Robert Beeson, Mr Jay Stephenson and Mr James Merrillees ("Appendices 3Y").
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.

As the Appendices 3Y indicate changes in Messrs Fraser, Beeson, Stephenson and Merrillees' notifiable interests occurred on 25 July 2013 the Appendices 3Y should have been lodged with the ASX by 1 August 2013. As the Appendices 3Y were lodged on 9 August 2013 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

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 Appendices 3Y were 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 Sandra.Wutete@asx.com.au or by facsimile on facsimile number +61 8 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 **3:00 pm WST on Friday, 16 August 2013**.

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]

Sandra Wutete
Adviser, Listings Compliance (Perth)