

3 May 2018

ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By E-lodgement

LESS THAN MARKETABLE PARCEL SHARE BUY-BACK

Drake Resources Limited (**DRK** or **Company**) (ASX: DRK) is pleased to announce the details of a buy-back offer for holders of less than marketable parcels of shares in the Company (**Buy-Back**).

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be a “less than marketable parcel” of shares (**Unmarketable Parcels**). The Buy-Back will allow shareholders who hold Unmarketable Parcels (**Eligible Shareholders**) to sell their shares back to the Company at the Buy-Back price of \$0.014 per share, being the closing price of the Company’s shares on 2 May 2018. These shares will be cancelled once transferred to the Company.

Based on the Buy-Back price per share and the register of members as at 5.00pm (WST) on 2 May 2018 (**Record Date**):

- (a) a less than marketable parcel of shares is any shareholding of 35,714 shares or less;
- (b) 0.69% of DRK ordinary shares (2,188,584 shares) are held in Unmarketable Parcels; and
- (c) the aggregate value of the DRK ordinary shares held by all holders of Unmarketable Parcels, based on the Buy-Back price, is \$30,640.18.

DRK shareholders who own 35,715 shares or more will not be eligible to participate in the Buy-Back.

The Company values all its shareholders and is offering this Buy-Back to assist Eligible Shareholders to sell and realise their shares without incurring brokerage and other expenses. The Company will pay for all costs related with this Buy-Back (excluding tax consequences from the sale which remains the shareholder’s responsibility) and expects to reduce administrative costs associated with maintaining a large number of very small holdings.

The Company is sending the **attached** letter to Eligible Shareholders. Those who wish to retain their shares must complete and sign the Share Retention Form and forward it to Computershare Investor Services Pty Limited, GPO Box 52, Melbourne VIC 3001, to be received by 5.00pm (WST) on 15 June 2018 (**Closing Date**).

A summary of the key dates in relation to the Buy-Back is as follows:

Unmarketable Parcels Record Date	5.00pm (WST), 2 May 2018
Letters sent to holders of Unmarketable Parcels	4 May 2018
Closing Date for receipt of Share Retention Form	5.00pm (WST), 15 June 2018
Estimated Unmarketable Parcels payment date	As soon as practical after the Closing Date

Julia Beckett
Company Secretary

4 May 2018

Dear Shareholder

Offer by Drake Resources Limited to buy-back less than marketable parcels of shares (Offer)

As announced on 3 May 2018, Drake Resources Limited (**DRK** or **Company**) intends to complete a minimum holding share buy-back for holders of less than marketable parcels of shares as at 5.00pm (WST) on 2 May 2018 (**Record Date**).

The directors of the Company recognise that holders of shares with a value of \$500 or less may encounter difficulties selling their shares on the Australian Securities Exchange (**ASX**). In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with less than marketable parcels, the directors have resolved to undertake a buy-back of less than marketable parcels of shares under the terms set out in this Offer and the procedure in Division 2 Part 2J.1 of the Corporations Act 2001 (Cth) (**Buy-Back**).

The shares acquired by the Company under the Buy-Back will be cancelled in accordance with the *Corporations Act 2001* (Cth).

Under the Listing Rules of the ASX, any shareholding valued at less than \$500 is considered to be a "less than marketable parcel" of shares. Based on the Buy-Back price of \$0.014 per share, a less than marketable parcel of shares is any shareholding of 35,714 shares or less. Our share registry shows that the number of shares held by you or an entity that is associated with you is a less than marketable parcel, which makes you one of the Eligible Shareholders.

On the basis of the Buy-Back price and the register of members of the Company as at 2 May 2018:

1. 0.69% of DRK ordinary shares (2,188,584 shares) are held in less than marketable parcels; and
2. the aggregate value of the DRK ordinary shares held by all holders of less than marketable parcels, based on the Buy-Back price, is \$30,640.18.

It is important to note that the market price of DRK shares will change from time to time. The buy-back price under the Buy-Back may be less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your DRK shares are bought back. The Company will not buy-back your shares if you wish to retain your shareholding.

Your choices:

1. If you would like the Company to purchase your less than marketable parcel of shares at \$0.014 per share, you do not need to do anything. However, the Company encourages you to notify it of your account details by completing the **enclosed** Direct Credit Form and returning it to the Company's share registry, Computershare Investor Services Pty Limited, by no later than the Closing Date (defined below).



2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must:
 - a. complete the **enclosed** Share Retention Form and return it to the Company's share registry, Computershare Investor Services Pty Limited, by no later than 5.00pm (WST) on 15 June 2018 (**Closing Date**); or
 - b. top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional DRK shares on market such that your registered holding at the Closing Date is 35,715 shares or greater.

You are advised to allow reasonable time for the Share Retention Form to be received by the Company. If you hold shares in multiple holdings, some of which are less than marketable parcels, then the Company will purchase those less than marketable parcels unless a Share Retention Form is received for each holding.

If your shareholding is purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable.

The price you receive for each share purchased by the Company in the Buy-Back will be \$0.014.

Shareholders who have previously provided the Company with details of an account with an Australian financial institution, or who have completed and returned the Direct Credit Form, will be paid their sale proceeds in Australian dollars by direct credit into this account. Non-resident shareholders who do not have an account with an Australian Financial Institution or Australian shareholders who do not have bank account details recorded against their shareholding account with Computershare Investor Services Pty Limited will be paid in Australian dollars by cheque sent to the address recorded for them on the share register.

There is an option on the Share Retention Form to choose to donate the proceeds of your sale to Telethon Kids Institute. Telethon Kids Institute's vision, is to improve health and wellbeing of children through excellence in research. The Telethon Kids Institute is one of the largest, and most successful medical research institutes in Australia, comprising a dedicated and diverse team of more than 500 staff and students. Amounts less than \$100 which remain unclaimed at the Closing Date will be donated to Telethon Kids Institute.

The Company makes no recommendation as to whether you should participate in the Buy-Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the sale may affect you.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of a less than marketable parcel under this Buy-Back will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of less than marketable parcels under the Buy-Back.

drake resources



Suite 12, Level 1, 11 Ventnor Street
West Pert, WA 6008
P: +61 8 6245 2050
F: +61 8 6245 2055
E: info@drakeresources.com.au

If you require further information in respect of the Buy-Back, please contact the Company Secretary, Julia Beckett, on +61 8 6245 2057 between the hours of 9.00am and 5.00pm (WST) Monday to Friday.

Yours faithfully

Julia Beckett
Company Secretary