

17 August 2010

Drake Enters West African Gold Exploration

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- **Drake has been granted 3 exploration permits for gold in Mauritania**
 - **The permits cover 3000 km² of Birrimian age rocks, host to most gold deposits in the prolific West African gold province (Ghana, Mali, Senegal, Burkina Faso)**
 - **Up to 17 g/t gold in rock chip samples from past exploration**
 - **Many square kilometres of gold anomalies**
 - **Mauritania is under-explored in comparison with other gold-producing West African countries.**
 - **The recent emergence of the Tasiast Gold deposit in Mauritania as a major gold resource indicates potential for further discoveries in this part of the province.**

West Africa is becoming an increasingly significant gold producing region. Production has increased by 53% of the past ten years, and the region produced approximately 175 tonnes (5.6 million ounces) of gold in 2008. According to the United States Geological Survey West Africa had the highest growth in gold resources of any region during the period 1997-2005.

The Birrimian age rocks of West Africa contain some of the world's major gold deposits, and the province has enjoyed a high exploration success rate in recent years. Major new discoveries have been made in Mali, Senegal, Ivory Coast and Burkina Faso, as well as Mauritania.

As a consequence gold production is rising rapidly in several countries in the region, including Burkino Faso, Ivory Coast, Mauritania, Senegal, Niger, Sierra Leone and Liberia.

Drake Resources (ASX code: DRK) has identified gold opportunities in the one of these countries. The company has been granted 3 exploration permits for gold and other metals in northern Mauritania. Drake considers these three permits to be prospective for hosting gold mineralisation.

The permits cover approximately 3000 km². Their location is shown in Figure 1.

All 3 permits lie within the Reguibat Shield which contains metamorphosed rocks of Birrimian age.

The Nsour permit covers the Conchita Florence gold prospect, on which previous work has reported gold values up to 17 g/t in quartz veins. It is Drake's understanding that the prospect has never been drilled.

The El Mheissad and Oued el Ma permits cover large areas of gold anomalies many square kilometres in extent defined by regional soil and drainage sampling programmes.

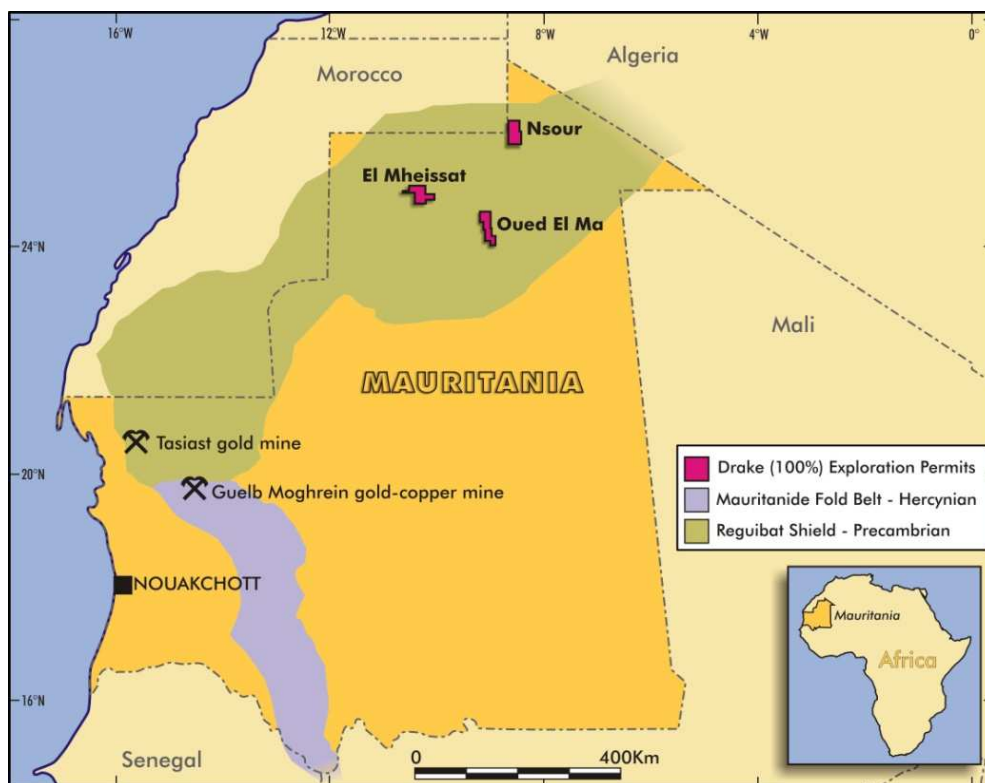


Fig 1: Location of Drake Permits

Drake will conduct systematic sampling and, if results justify, drill testing during 2010.

Until recently Mauritania has had little systematic gold exploration compared to other countries in the region. However recent exploration at the Tasiast deposit in Mauritania has demonstrated that this is a major gold deposit, with a reported resource of 7.8 million ounces of gold.

It is Drake's experience that major gold deposits do not occur in isolation, and other substantial gold deposits are therefore likely to occur in the region. Drake, as a relatively early mover in this part of the province, should be well positioned to participate in future discoveries. This early mover status has enabled Drake to secure a substantial landholding in the province.

Mauritania has a history of mining, a favourable and well administered Mining Act, and a government supportive of foreign investment.

Drake Resources' management team has an exceptional track record of gold exploration success, and includes key members of the team that built the Acacia Resources/AngloGold portfolio in Australia.

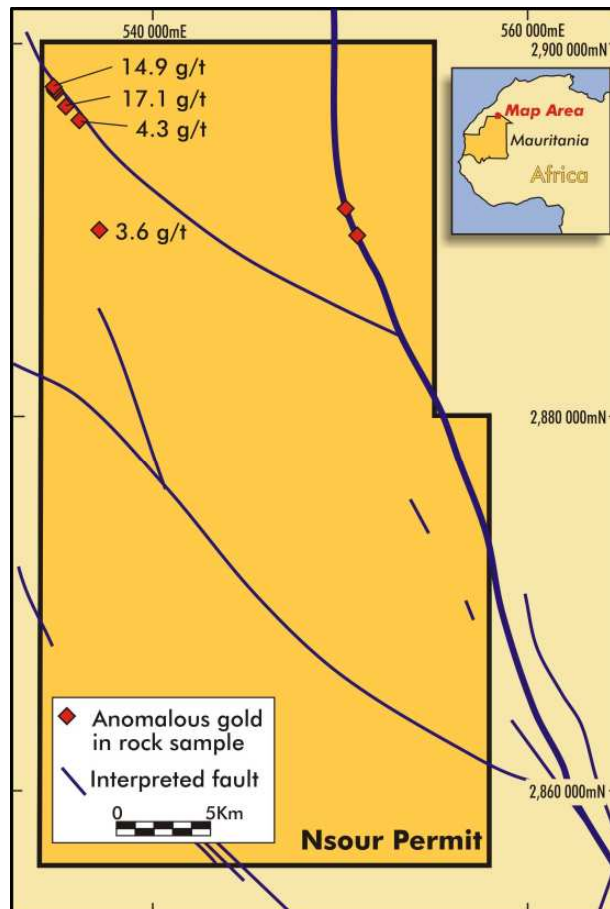


Fig 2. Drake's Nsour permit showing location of high grade gold values reported in regional sampling conducted by BRGM.

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For further information, please contact:

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Corporate Information

Directors

B Fraser	Non-Executive Chairman
Dr R Beeson	Managing Director
J Stephenson	Non- Executive Director & Company Secretary

Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

52,729,231 fully paid ordinary shares

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 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.