

14 March 2012

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STRONG ELECTROMAGNETIC CONDUCTORS IDENTIFIED AT NORDGRUVA JV NEAR RØROS, NORWAY

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HIGHLIGHTS

- **Positive results from electromagnetic VTEM survey**
 - **Numerous untested anomalies identified**
 - **Survey targeted copper-rich massive sulphides in area previously not well explored by modern technologies**
 - **Long history of copper mining within extensive permits**
 - **Exploration program of EM follow up & drilling currently being prepared**
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Drake Resources (DRK) is an Australian gold and base metals resources company with advanced and highly prospective projects in West Africa, Sweden, Norway and Finland. In West Africa the focus is gold in the underexplored provinces of Mauritania and Senegal, including in the highly mineralised Tasiast greenstone belt. Projects in Scandinavia include holding a premier position in the historic world class Falun Mine area in Sweden where high grade gold-copper mineralisation is the focus. In Norway and Finland Drake is seeking copper-zinc mineralisation with its joint venture partner. Drake's aim is to be a successful and profitable mining company delivering strong shareholder value.

Drake Resources (ASX:DRK) holds very extensive tenements in the copper zinc mining district of Nordgruva near Røros in central Norway with its alliance partner, Panoramic Resources Ltd.

The 13 claims, obtained in 2010, cover 128 square kilometres of the Nordgruva historic mine sites at Kongens, Rodalen and Lobekken, where 1.75 million tonnes of 2.3 percent copper and four percent zinc were mined between 1735 and 1939 (source: Norwegian Geological Survey). The mineralisation is hosted in metasediments intruded by gabbro sills.

Apart from some limited ground EM and drilling conducted in 1998 to 2000 there has been no exploration in the district since that conducted in the 1960s just before the mine closed.

Drake holds much of the most prospective ground in this area.

Alliance and joint venture terms

Under the alliance terms, Panoramic has the right to sole-fund exploration to earn a 70 percent interest in the projects. Drake can participate in the projects at 30 percent or 10 percent or revert to a two per cent Net Smelter Return royalty.

Survey results

Geotech Airborne Malta were contracted to fly the VTEM survey during August and September 2011 (Figure 1). A total of 604 kilometres of lines were flown at 150 metres spacing; magnetic and electromagnetic data was collected. Final data for the survey was received in November 2011.

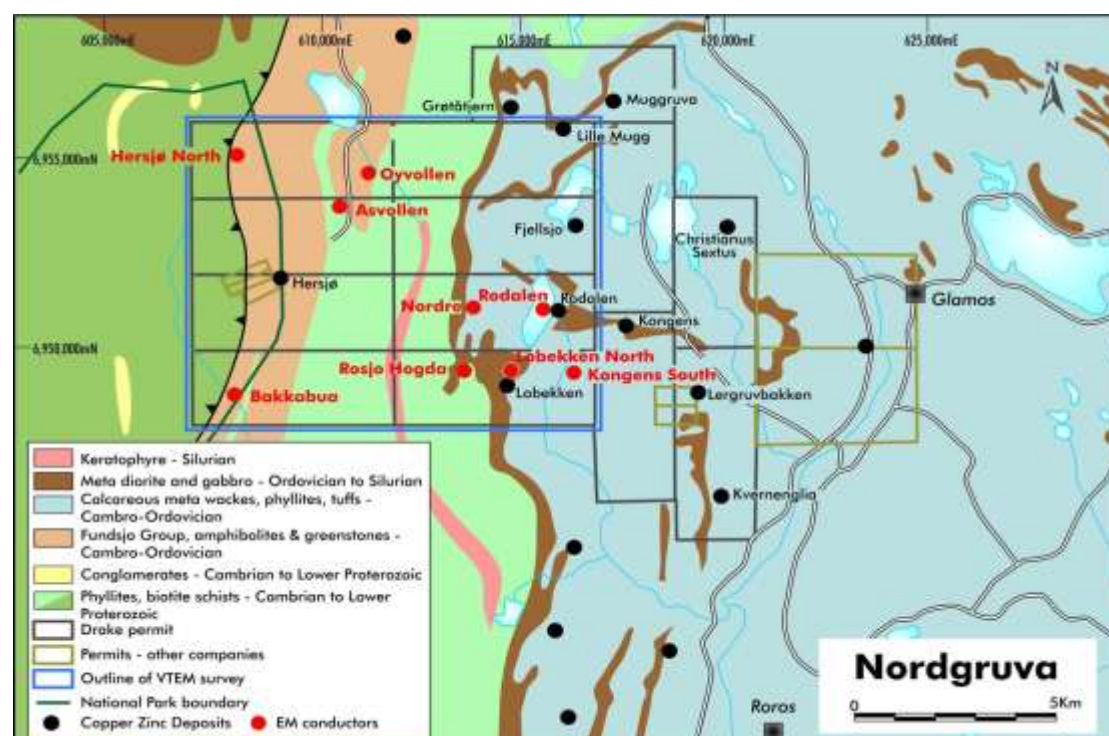


Figure 1: Plan of Nordgruva area showing EM conductors identified by 2011 VTEM survey

The analysis and interpretation of the VTEM survey by Drake's geophysical consultants, Newexco, has identified a number of conductors within the survey areas which may be caused by massive sulphide mineralisation.

Drake's Managing Director, Dr Bob Beeson, commented: "It is our view that the results of the survey are very positive.

"Previous exploration and mapping has given Drake a sound knowledge of the geology upon which to carry out the interpretation. The VTEM survey has identified a number of targets which appear not to have been drilled or have been insufficiently tested by prior explorers.

"Preliminary modelling of the Hersjo Nordgruva survey data has identified what appears to be a significant, strike extensive anomaly dipping away to the south west from the Kongens Mine which produced 1.75 million tonnes at 2.3 percent copper and four per cent zinc."

Drake has a strong operating presence in Scandinavia through its alliance and joint ventures in Norway and Finland with Panoramic Resources, its joint ventures in Sweden with the Royal Falcon Group and its 100% properties.

Dr Beeson said: "Norway has a new Mining Act, excellent data sources, and provides very positive government support to explorers like Drake and Panoramic. We regard the Nordgruva joint venture as a significant opportunity for the company in what we consider to be an underexplored country."

Ground EM surveying and drilling is planned for 2012.

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Competent Person's Statement

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.



Drake's Norway projects