



ASX Announcement
20 December, 2012

Significant new discovery of sulphide mineralisation at the Granmuren nickel-copper prospect, Sweden

- Hole targeting recently identified strong conductor at Granmuren intersected almost 200m of disseminated copper-nickel bearing sulphides
- Significant new discovery
- Drill rig moved to deepen nearby hole targeting a second conductor
- Previously reported mineralised intersections up to 97m wide
- Project area well serviced by power, road & rail infrastructure
- Drill assay results expected first half of January 2013

***Drake Resources (DRK)** is an Australian gold and base metals explorer with advanced and highly prospective projects in resource-rich West Africa and Scandinavia. In the underexplored West African provinces of Mauritania, Senegal and Guinea, Drake's focus is gold, including projects on the highly mineralised Tasiast greenstone belt. Projects in Scandinavia focus on nickel and copper. They include nickel resources at Espedalen in Norway, a new nickel-copper discovery at Granmuren in Sweden, and significant remaining mineralisation in the Joma copper-zinc mine. Drake's aim is to be a successful and profitable mining company delivering strong shareholder value by taking robust projects through to mining. The company is headquartered in Melbourne and listed on the ASX.*

Drake Resources (ASX: DRK, Drake) has intersected close to 200 metres of disseminated sulphides at its Granmuren copper-nickel discovery in central Sweden.

The permit containing the Granmuren discovery, and all of the additional nickel permits in the district, are wholly owned by Drake.

This new target is an intense conductor recently identified from down hole and surface electromagnetic (EM) surveys and is located to the north east of the previously drilled section (Figures 1 and 2). The conductor is an order of magnitude stronger than the mineralised conductors already drilled.

Drill hole TS006 was drilled to a depth of 221 metres and intersected disseminated iron sulphide (pyrrhotite) from 10 metres to 208 metres down hole. Drake's geologists have made visual estimates of the iron sulphide contents of the drill core at between two and 30 percent. Three zones of 10 to 30 per cent disseminated sulphides are present at 80 to 95 metres, and 142 to 173 metres, and 193 to 202metres.

The presence of nickel and copper in the sulphides in TS006 has been confirmed by Drake's geologists and the on-site XRF (x-ray florescence spectrometer). Pyrrhotite mineralisation in holes TS001-TS005 contained the following intersections:

- 16m @ 0.32% Ni, 0.50% Cu & 0.03% Co in 12DDTS003 within overall intersection of 97m @ 0.17% Ni & 0.17 Cu
- 11.6m @ 0.40% Ni, 0.51% Cu & 0.04% Co in 12DDTS001

Laboratory analyses for hole TS006 are expected in January 2013.

This intersection is interpreted as being near actual thickness and is hosted in a peridotite, an ultramafic rock similar to those intersected in the February 2012 drilling campaign.

Drake's down hole EM survey also confirmed an offhole conductor below hole 12DDTS004. This additional conductor will be drill tested in the current programme by extending the original hole, to be named 12DDTS004a (Figure 3).

Commenting on the excellent results, Drake's Managing Director Dr Bob Beeson said, "We are extremely excited by the visual mineralisation intersected in hole TS006. It confirms the Granmuren mineralisation is far thicker and more extensive than originally modelled from the airborne survey."

"As yet we do not know the grade of this system, but Drake appears to have made a new discovery of a substantial nickel-copper deposit."

"Drake has a strategic landholding in the Bergslagen District which has never been seriously explored for nickel. In contrast the Finland section of this nickel belt has contained 60 to 80 million tonnes of mineralisation in past mining and current resources."

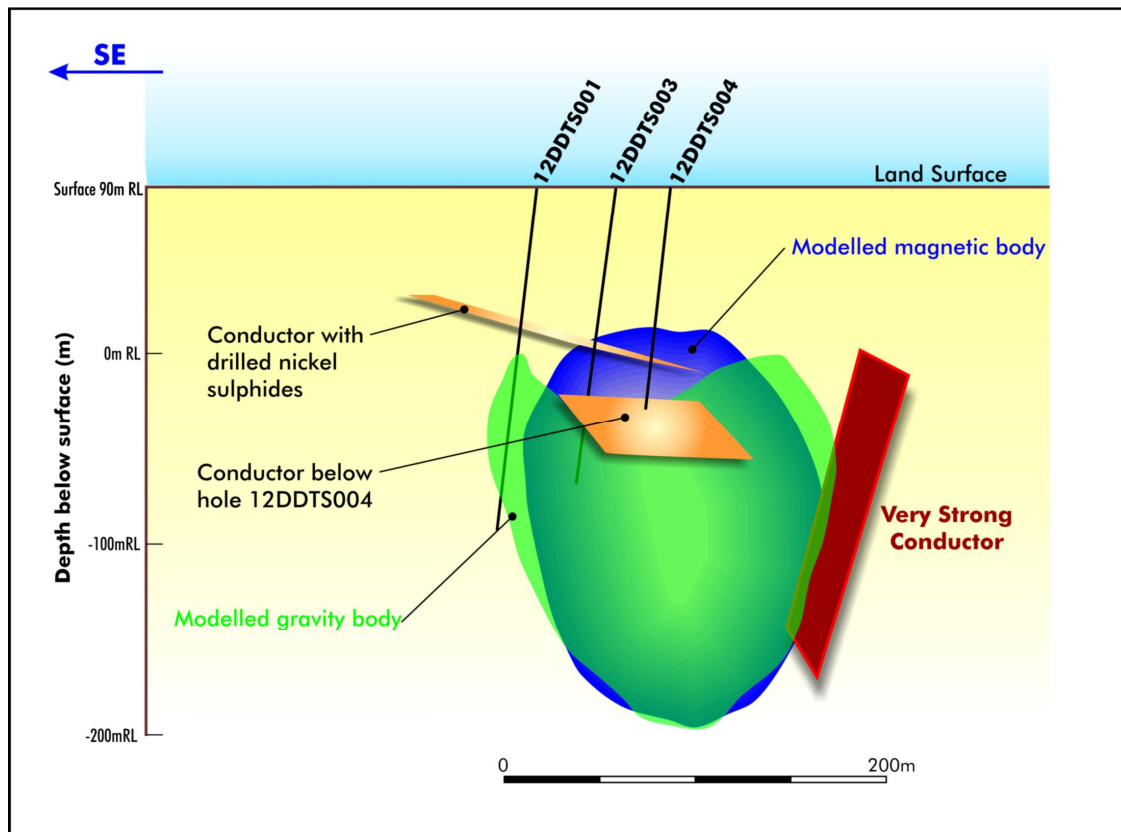


Fig. 1: Section illustrating the spatial relationship of gravity and magnetic bodies to newly identified electromagnetic conductive plates at Granmuren

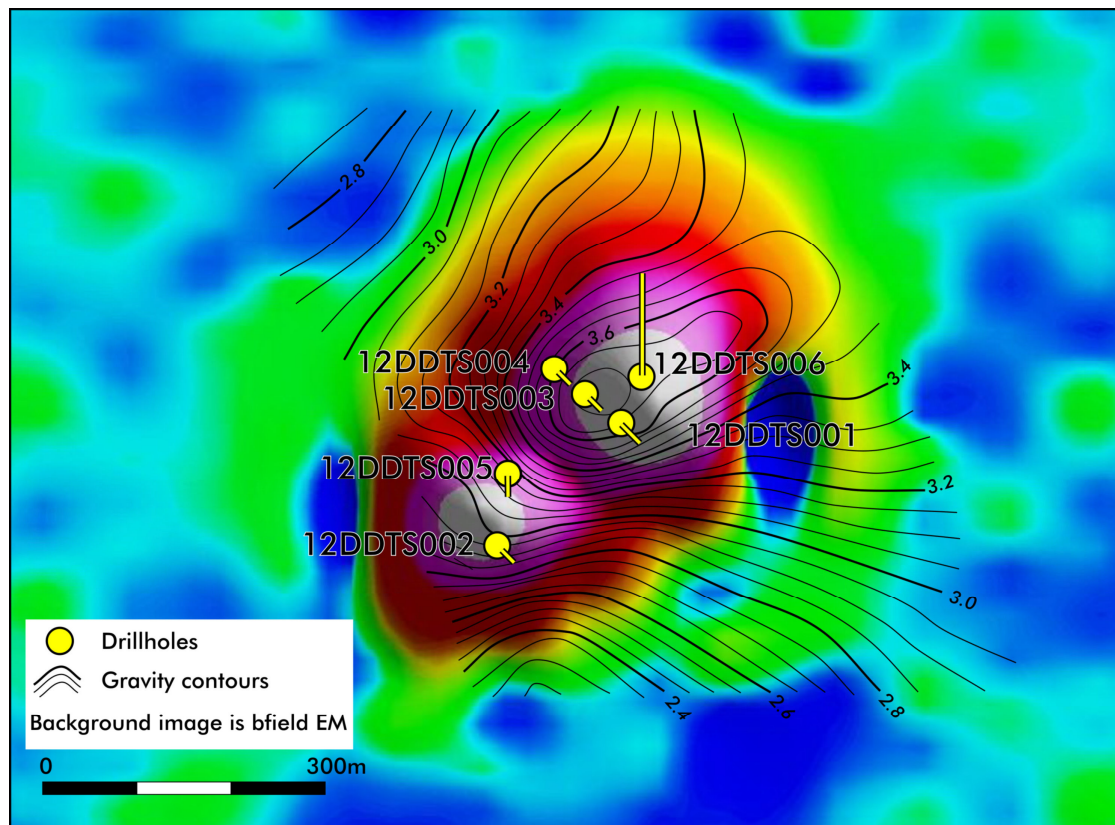


Fig. 2: Plan view of Granmuren EM anomaly (VTEM z28) with location of modelled conductive plates and new strong conductor

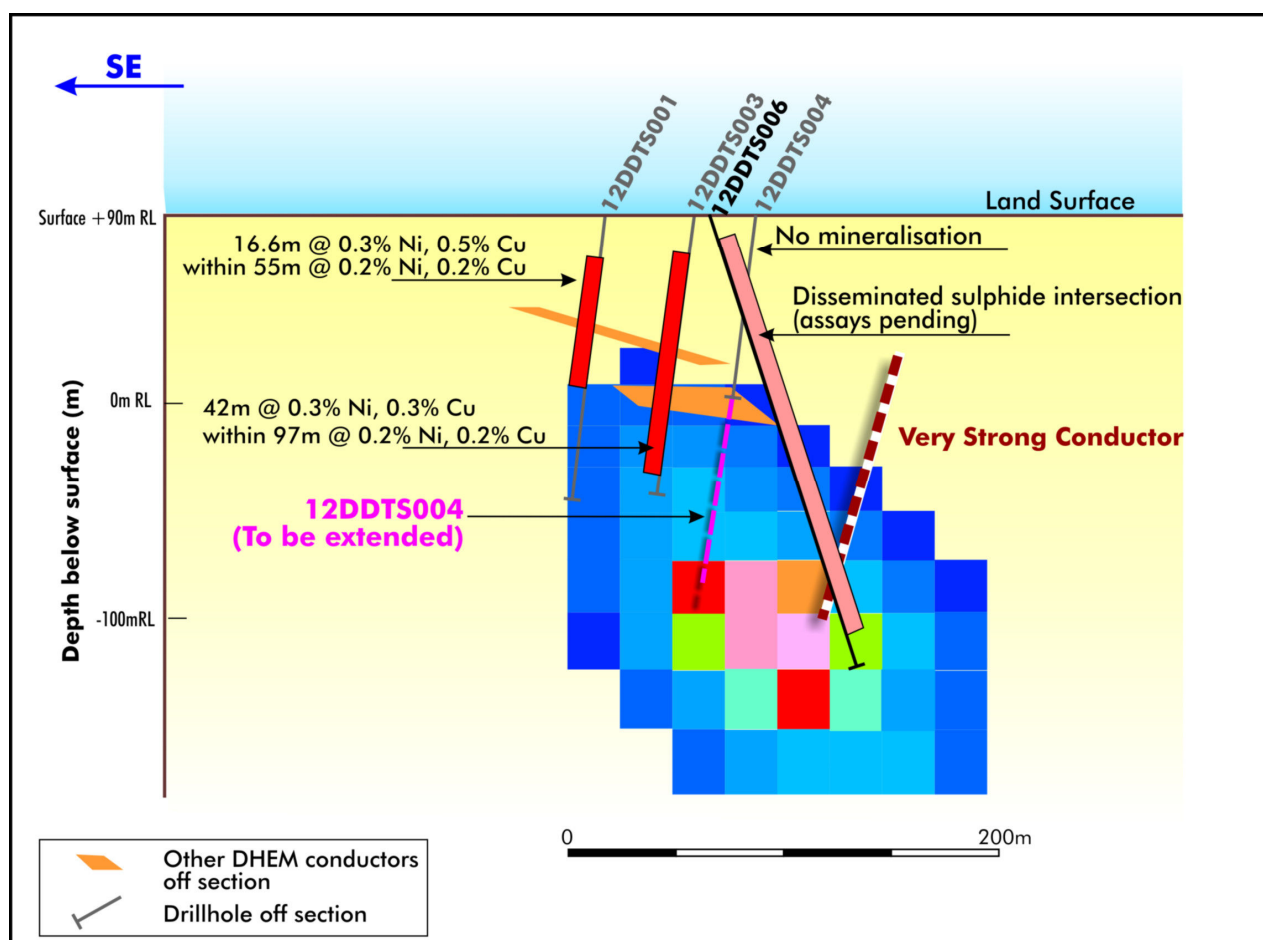


Fig. 3: Oblique section looking west of drilling and mineralisation intersected to date, modelled magnetic body (clipped at 0.2SI) in relation to new conductor and drill hole proposed to test this

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Competent Persons Statement

Dr Robert Beeson accepts responsibility for the accuracy of the statements of exploration results and foreign resource estimates currently not reported in accordance with the JORC Code, reported in this announcement based on previously prepared reports and the accuracy of the information disclosed in this announcement to address the Requirements for Non-JORC Code Compliant Historical and Foreign Reporting in the Joint Statement of ASX and JORC reported in the ASX Companies Update No: 11/07 dated 5 December 2007.

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 is a director of Drake and consents to the inclusion in the Announcement 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.