L4 66 Kings Park Road
West Perth WA 6005
P: +61 8 6141 3585
F: +61 8 6141 3599
E: info@drakeresources.com.au

ASX Announcement
5th November 2014

Surface samples above VTEM anomaly return high grade copper and zinc - Sulitjelma

- **Update on Drake and JV partner, Panoramic Resources' VTEM assessment of 7 anomalies prospective for copper /zinc at Sulitjelma**
- **Very encouraging results from preliminary field inspection and rock chip sampling around Anomaly 3. Results include –**
  - ***Copper grades up to 10.7%***
  - ***Zinc grades up to 15.1%***
  - ***Anomalous silver to 53 g/t and cobalt to 0.1%***

Drake, with its joint venture partner, Panoramic Resources Limited, advises that final data for it's VTEM+ electromagnetic and magnetic surveying, flown in August this year at its Sulitjelma Project in Northern Norway has been received and is being processed and modelled.

Drake announced preliminary interpretation of the results on 8/10/14, revealing a total of seven anomalies of interest and making particular reference to Target 3, a 4.5km long VTEM+ anomaly occurring on the less understood southern extremity of the eastern mineralised zone (Fig 1). Field mapping immediately following the recent VTEM program confirmed the presence of outcropping massive sulphides. Dump samples from old workings and composite chip samples of local outcrop have returned very encouraging results (Table 1).

Sample Number	Weight Kg	East	North	Sample Type	Cu (%)	Zn (%)	Pb (%)	Ag ppm	Co ppm
SJV0001	0.7	554675	7444693	Composite random chip sample of outcrop	10.7	1.35	0.07	48	30
SJV0002	0.7	554675	7444693	Single fist size sample with 1cm massive sulphide band	0.31	4.3	0.27	16	70
SJV0003	1.03	554547	7444816	Composite random chip sample of outcrop	0.51	0.07	0.01	3	10
SJV0004	0.91	554336	7444958	Composite random chip sample of outcrop	1.04	0.21	0	4	10
SJV0005	0.7	554275	7444988	Composite random chip sample of outcrop	3.81	0.19	0.07	16	50
SJV0006	1.83	554113	7445092	Fist sized dump samples of massive ore from 25cm thick outcrop	0.04	11.45	0.66	29	490
SJV0007	0.68	554113	7445092	Fist sized dump sample of massive ore from 25cm thick outcrop	4.74	15.1	0.26	35	460
SJV0008	0.8	554113	7445092	Fist sized dump sample of massive ore from 25cm thick outcrop	6.74	13.2	0.52	53	1080
SJV0009	0.59	554113	7445092	Fist size dump sample of disseminated ore	2.45	0.19	0.02	11	100

Table One: Details of samples collected at Anomaly 3 - Sulitjelma.

Drake's CEO, Jason Stirbinskis said "Target 3 caught our interest immediately because this area of Sulitjelma has seen very little historic activity and no drilling except for near surface (~1m deep) surface sampling holes.

"Five of the other targets of interest lie within the western thrust which is an area of known massive sulphide mineralisation mapped over a ~10km north / south direction and the sixth occurs near historic copper / zinc mines such as Giken."

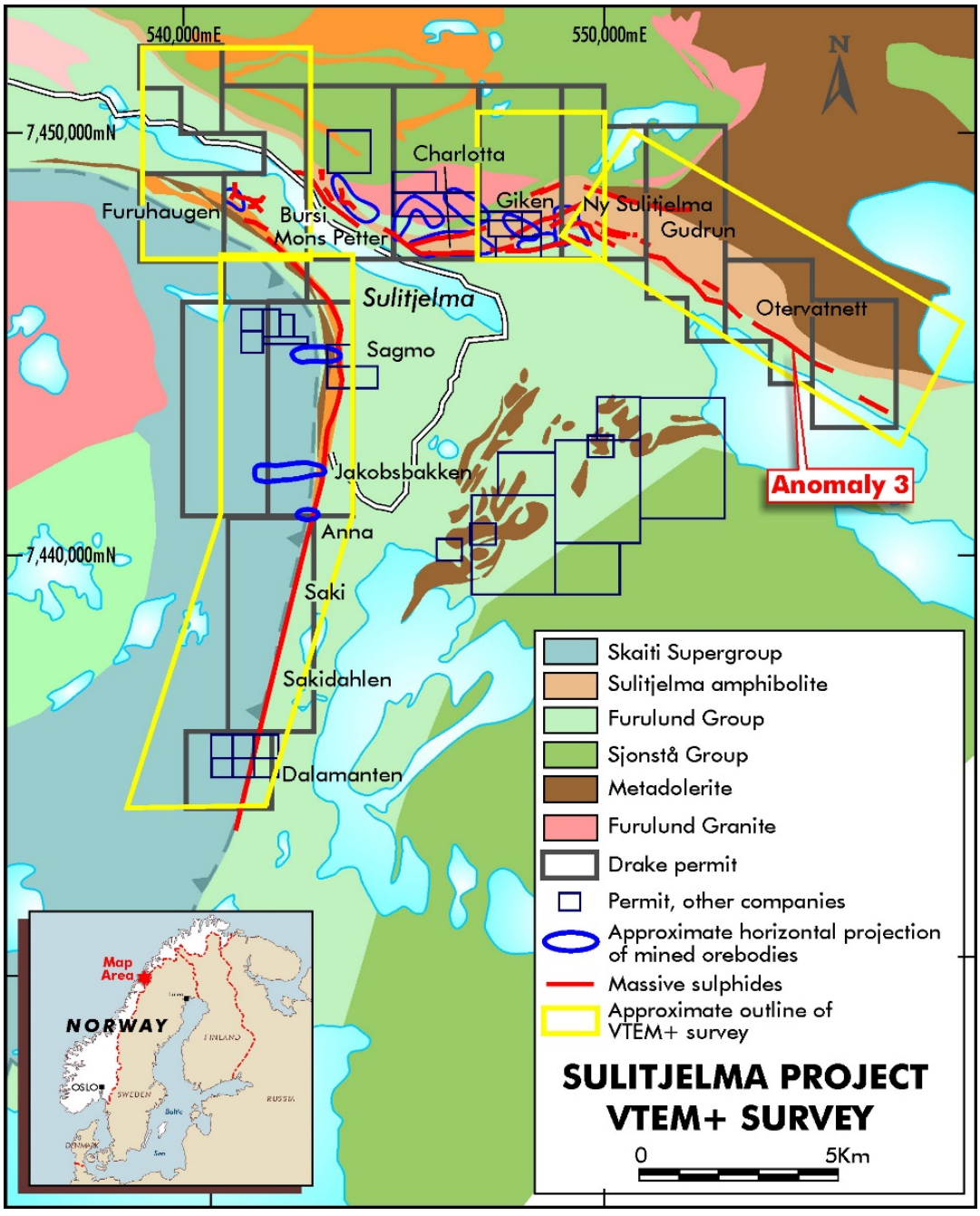
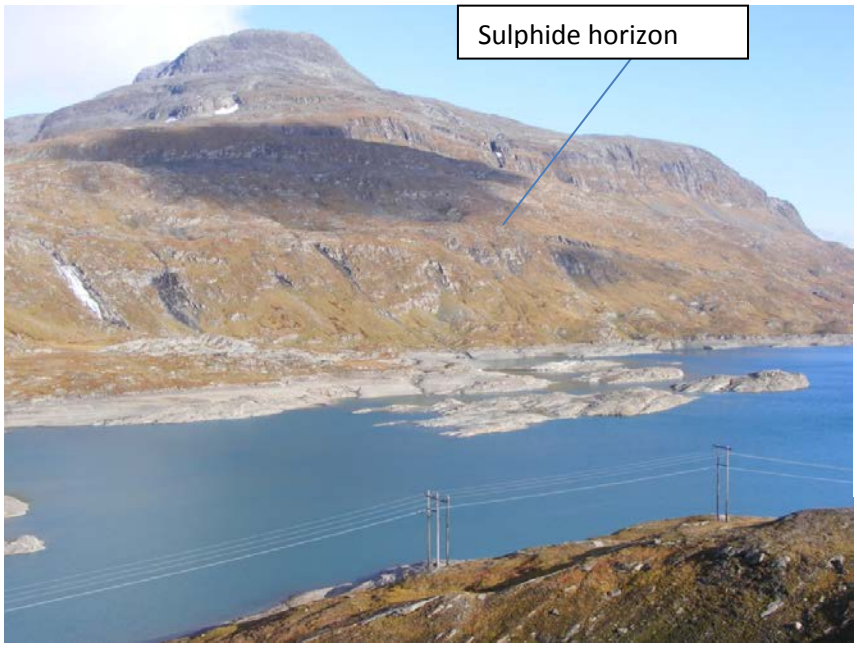


Fig1. Plan showing area flown with VTEM, Drake claims and outcropping massive sulphides.



View of anomaly 3 with sample area in the centre left.

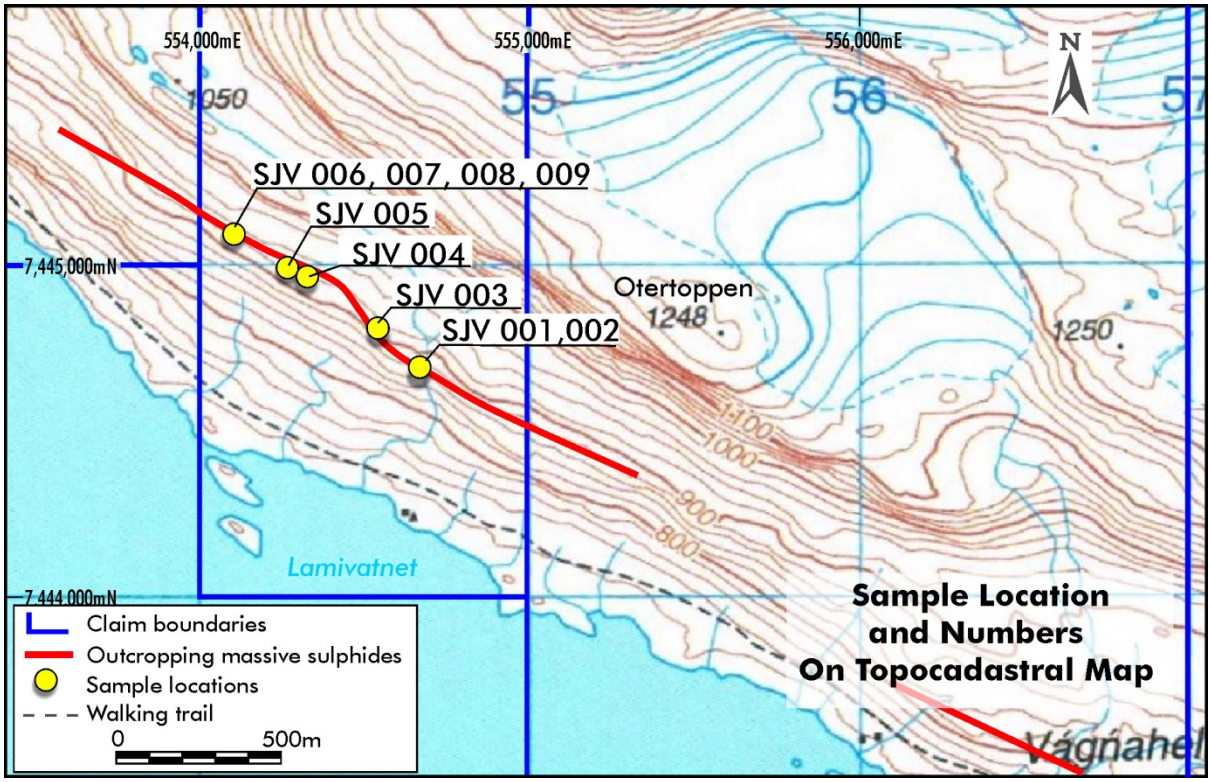


Fig 2. Plan showing location of anomaly 3, on topography with massive sulphide outcrops in red, and sample locations. At the sample SJV0006-0009 location samples were collected from material blasted in 1976, from outcrop at the bottom of a cliff, comprised of a 25 cm thick massive, banded, fine grained sulphide bed, of which the upper 10 cm is pyrite-dominated, Zn-rich sphalerite-chalcopyrite ore (SJV0006), and the lower 15 cm is pyrrhotite-dominated sphalerite-chalcopyrite ore (SJV0007 and 8). Frequent thin pyrrhotite-dominated sulphide bands occur in the sericite-chlorite schist (SJV0009,) both above and below the massive bed. Total mineralised thickness is approximately 1 m.

Anomaly 3 is a strong strike-extensive anomaly (fig 3 & 4) approximately 4.5kms long. Present modelling suggests the conductive horizon coincides with the sampled outcrops and extends typically ~200 m into the hill.

Attention will now move to the assessment of other anomalies identified from the VTEM+ program. Final appraisal, recommendations and commentary is expected in December.

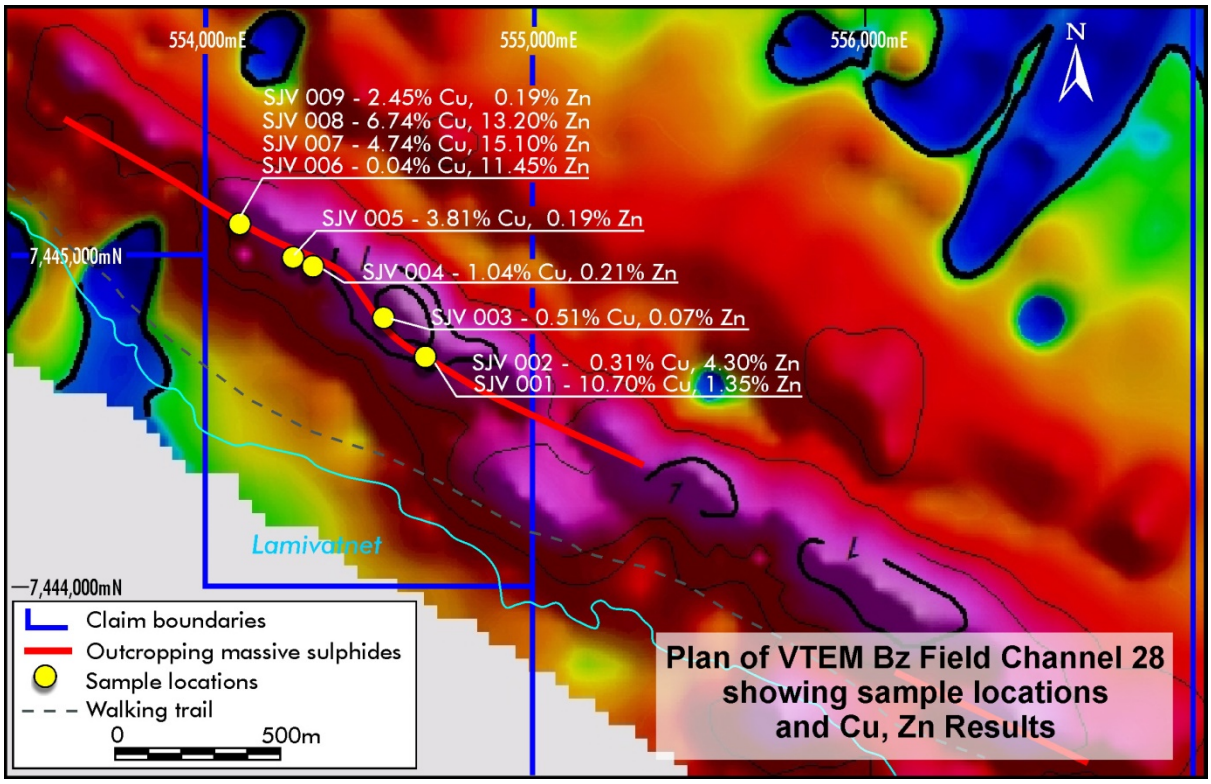


Fig 3. Plan showing VTEM channel Bz 28 anomalism, relative to massive sulphide outcrops and Copper and Zinc sample results. Approximately 3km of the anomaly which is about 4.5km long is shown.

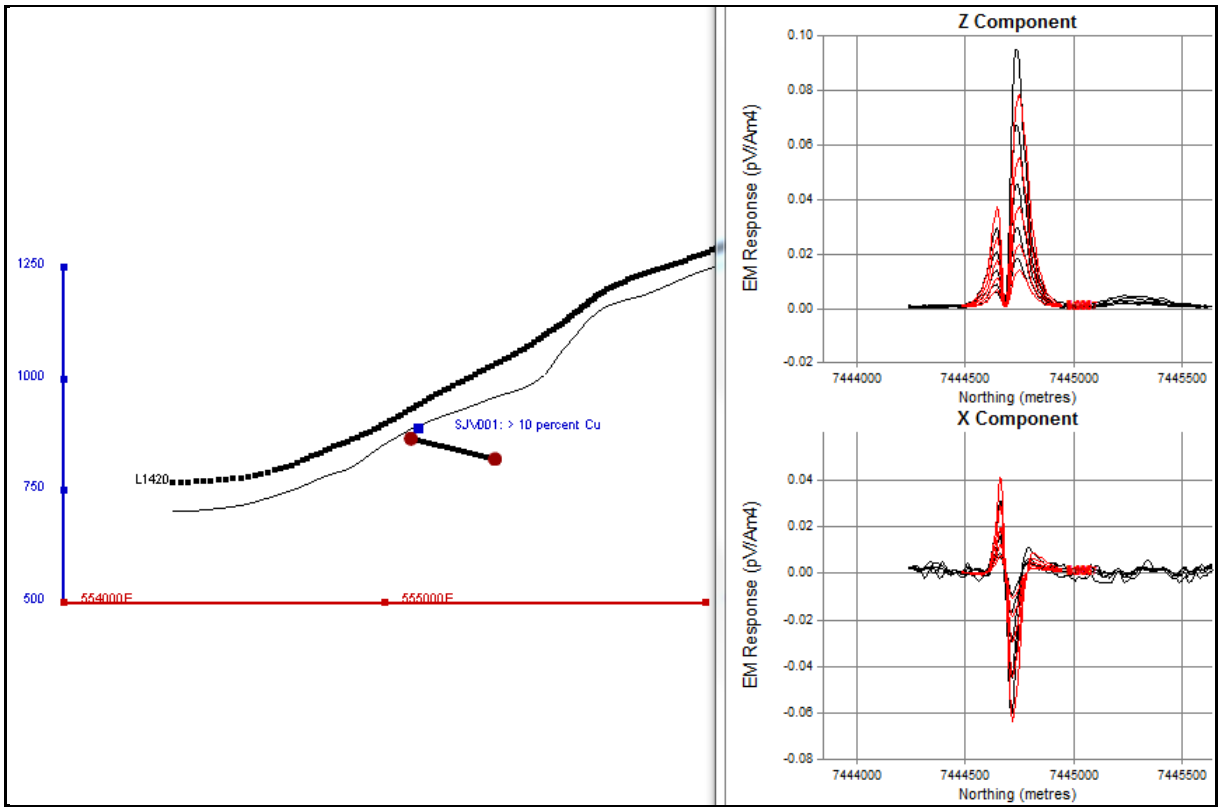


Fig 4. Section showing modelling of VTEM line 1420, channels 41 to 45. A good fit was achieved for the modelled response (red profiles) to the observed response (black profiles). The projected outcrop of the model plate is near coincident with sample SJV001 (>10 % Cu); the difference is well within the model error.

For further information, please contact:

Jason Stirbinskis
CEO, Drake Resources
+61 (0)8 6141 3585
info@drakeresources.com.au

Mr Jay Stephenson
Company Secretary, Drake Resources
+61 (0)8 6141 3585
info@drakeresources.com.au

Competent Persons Statement

The information in this report that relates to exploration results is based on, and fairly represents, information and supporting documentation compiled by Dr Bob Beeson. Dr Beeson is a member of the Australasian Institute of Geoscientists, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Dr Beeson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Caution Regarding Forward Looking Information.

This document contains forward looking statements concerning Drake. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Drake's beliefs, opinions and estimates of Drake as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

APPENDIX 1 - JORC Code, 2012 Edition – Table 1 report template – Sulitjelma Rock Chip Results

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	*Samples 1, 3, 4 and 5 are composite, random chip samples taken from outcrop, no channel samples were taken.* *Sample 2 is a fist sized sample of felsic tuffite with a 1 cm thick massive-layer of sphalerite and chalcopyrite, from outcrop.* *Samples 6-9 are dump samples. Dump material of massive sulphide (6-8) were scarce, and the three samples are all fist sized, representing 7-10 cm thickness of the banded ore. As the ore thickness here was only 25 cm (10 cm pyrite dominated and 15 cm pyrrhotite dominated) it is believed that the samples are relatively representative.*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Not applicable*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of*	• *Not applicable*

Criteria	JORC Code explanation	Commentary
	fine/coarse material.	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	*Not applicable* *Qualitative* *Not applicable*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	*Not applicable* *Sampled dry and not split in the field* *Samples prepared by ALS method 31B. Sample crushed to 70% less than 2mm, riffle split off 1kg (where >1kg), pulverize 1kg split to better than 85% passing 75 microns.* *None* *None. In all but 2 samples weights were less than 1kg.* *Sample sizes would appear to be appropriate to the grain sizes*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	*ALS Global: analysis for 33 elements by four acid digest and using method MEICP 61a on a minimum 1 g sample. Quality Assurance/Quality Control (QA\QC) according to the ALS Minerals Quality Management System included standards and blanks routinely inserted into the sample stream with at least one standard sample inserted per sample batch submitted to the laboratory.* *Where samples reported > 10% Cu or Zn they were re-assayed using Method OG62 where a Four Acid Digestion with ICP-AES or AAS Finish was conducted on a minimum sample weight of 0.5g* *Not applicable* *Reliance placed on ALS internal quality control procedures.*
Verification of	• *The verification of significant intersections by either independent or*	• *The presence of massive sulphides at these locations has been*

Criteria	JORC Code explanation	Commentary
sampling and assaying	*alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	*previously mapped and sampling recently located in old reports in the area has previously verified anomalous Cu Zn but field verification of the site and samples has not been conducted as yet by an independent or Drake geologist.* • *Primary data was collected using a standard excel template with lookup codes* • *Assay results for samples and quality assurance/quality control (QA/QC) materials are entered into the IO Global database when received. All assay and QA/QC results are received electronically and uploaded.* • *No adjustment of assay data, nor twinned holes were undertaken.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *locations are surveyed in Universal Transverse Mercator (UTM) coordinates, WGS84 UTM Zone 33N using a Garmin hand held field GPS with accuracy of 4-5m.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *The sampling conducted was the first attempt at seeking an explanation for the interpreted VTEM anomalies identified from preliminary data. Final data has now been received and is being processed and modelled.* • *The results received will encourage a more systematic and representative sampling program when final interpretation and modelling of the VTEM data has been received from Newexco.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	*Mineralisation dips at 20 to 40 deg to the north east.* *Composite random chip samples 1, 3, 4 and 5 taken from outcrop would be reasonably representative. Sample 2 was a fist sized sample of felsic tuffite with a 1 cm thick massive-layer of sphalerite and chalcopyrite, from outcrop. Samples 6-9 were dump samples. Dump material of massive sulphide (6-8) were scarce, and the three samples were all fist sized, representing 7-10 cm thickness of the banded ore. As the ore thickness here was only 25 cm (10 cm pyrite dominated and 15 cm pyrrhotite dominated) it is believed that the samples are relatively representative.*

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• *No measures were specifically taken to ensure sample security.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *No audits or reviews have been conducted at this stage.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The samples collected all fall within Exploration claim 0084-2/2011 or Sulitjelma 7, held by Drake Resources Sweden AB on behalf of the Sulitjelma Joint Venture with Panoramic Resources Ltd in which Panoramic are earning a 70% equity by spending Au$800,000 on exploration after which Drake has the right to contribute or dilute to 20% or 10% or thereafter a 2% NSR royalty. The claim is granted until March 2018 and is in good standing with the Miing Directorate.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *The VTEM+ survey was flown by Geotech Ltd in August 2014. Geological inspection and sampling was conducted by Rune Wilberg.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The Sulitjelma orebodies are recognized as stratiform, strata-bound pyritic Cu(Zn) sulfide ores, the products of volcanic-associated hydrothermal sedimentary exhalative formation, The ores are interpreted as having been formed at a single stratigraphic interval on the basaltic Ordovician sea floor.*

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *Not applicable. There is no historical drilling recorded in anomaly 3.*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *No top cuts have been applied to Table A, and no composite grades have been calculated.* • *No metal equivalent values are used* • *The results apply to single samples of between 0.59 and 1.83 Kg as described in the Table A.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *Not applicable.*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Refer to figures in body of text*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of*	• *assay results are for all samples collected, and are reported for Cu,Zn,Pb, Ag and Co, the anomalous economically significant component of a 33 element assay program in Table A.*

Criteria	JORC Code explanation	Commentary
	Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *A VTEM survey over the broader area identified numerous anomalies within the Sulitjelma claim area. The particular target chosen for this preliminary sampling program was a strike extensive VTEM anomaly.* • *No metallurgical work has been conducted*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Initially the Final VTEM data will be processed, interpreted and if warranted modelled. If appropriate drillhole locations will be identified and a budgeted drill program proposed late in 2014 with the objective of drilling in March April 2015 when temperatures are improving but snow cover is still frozen and access can be gained by track mounted equipment and or helicopter.*