

29 July 2010

Drake signs exploration alliance with Panoramic Resources Ltd

Key points:

- **Drake and Panoramic Resources Ltd have joined forces to explore for base and precious metals, primarily in Scandinavia**
- **The alliance builds on Drake's operating experience in Sweden, the results of its previous successful alliance in the region, and the intellectual property of Drake's key personnel**
- **Panoramic has a strong record of mine development to complement Drake's project acquisition skills**

Drake Resources Limited (ASX code: DRK, "Drake") has announced an alliance to identify, explore and develop base and precious metal opportunities with Panoramic Resources Ltd (ASX code: PAN). The primary area of focus for the alliance is Scandinavia.

Operating in Scandinavia since 2006, Drake has developed an extensive and technically strong portfolio of properties in Sweden resulting from a previous alliance with Zinifex Ltd. The Company has an operating base at Falun in Sweden.

Subsequent to Zinifex (Oz Minerals) withdrawing from joint ventures in Sweden in 2008, the Falun and Bersbo Projects are now joint ventures with Royal Falcon Mining who is presently spending USD3,000,000 on exploration, with an option to spend another USD3,000,000, on these projects.

Dr Bob Beeson, Managing Director, commented "Drake has an experienced team of exploration geologists who have successfully generated a number of highly prospective projects. This alliance will deliver Drake an opportunity to expand its portfolio of properties and improve the value of the Company for all shareholders."

"Alliance arrangements have the potential to deliver these outcomes whilst reducing the exploration risk to the Company. Panoramic Resources Limited is an ideal partner with their ability to develop exploration resources into operating mines. Drake will have an option to share in any mine discovered by the alliance"

Dr Beeson added "We see Drake's strategy going forward being a combination of projects that the company can fund itself through its strong cash position, and those in joint ventures with larger groups with different positions and capabilities in the mining business."

Under the alliance terms, Panoramic will have first right of refusal on any projects proposed by Drake. If Panoramic accepts the proposals, each proposal will form a joint venture project and Panoramic has the right to sole-fund exploration to earn a 70% interest in the projects.

Drake can participate in the projects at 30% or 10% or revert to a 2% Net Smelter Return royalty.

The alliance will be for an initial period of three years, but may be extended or terminated by mutual agreement.

The alliance will facilitate the fast tracking of any prospective projects in the region towards development. In addition Drake will be able to preserve its funds and therefore limit further fund raisings in the near future.

With continued support from Panoramic, potential development projects may attract sufficient interest and capital funding to production in a manner that is less dependent on the usual fluctuations in the junior mining sector.

-ENDS-

For more 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.