

23 August 2011

DRAKE RESOURCES COMMENCES ELECTROMAGNETIC SURVEYS OVER THE HERSJØ AND LØKKEN JOINT VENTURES IN NORWAY.

- **Airborne electromagnetic surveys have commenced in Norwegian permits**
 - **Surveys targeting copper-rich massive sulphides**
 - **Long history of copper mining within permits**
 - **Areas not explored by modern technologies**
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Drake Resources (ASX code: DRK) has taken up a very extensive landholding in two of the main copper districts of Norway with its alliance partner, Panoramic Resources Ltd (ASX code: PAN). These claims cover historic mine sites, and the surrounding prospective ground.

Geotech Airborne Malta have been contracted to fly the surveys and the helicopter is on site and has commenced survey operations. The surveys will continue through August.

VTEM is expected to significantly upgrade the understanding of where massive sulphides occur within the survey areas.

Drake's Managing Director, Dr Bob Beeson, commented: will directly target massive sulphide mineralisation to depths significantly greater than earlier surveys".

"In addition the surveys will significantly improve our understanding of the geological structure in the area".

Drake expects the surveys to generate anomalies for diamond drill follow up during 2012

Drake Resources has a strong operating presence in Scandinavia through its alliance with Panoramic Resources, joint ventures in Sweden and Finland, 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 these new joint ventures as a significant opportunity for the company in what we considered to be an underexplored country".

-ENDS-

For further information, please contact:

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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.

Corporate Information

Directors

B Fraser	Non-Executive Chairman
Dr R Beeson	Managing Director
J Stephenson	Non- Executive Director and Company Secretary
J Hoon	Non-Executive Director
James Merrillees	Executive Director

Issued Capital

As at the date of this report the issued capital of the Company is comprised of: 76,911,794 fully paid ordinary shares



Norway Copper Mining History and Exploration Environment Overview

Norway has a long history of copper mining dating back to circa 1630 with mining commencing in the Røros (includes Nordgruva) (1644) and Løkken Districts (1652). Both fields closed down in the 1980s, as did most of Norway's copper production with declining metal prices and increased costs.

The fast growing, high salaried oil and gas industry in the North Sea attracted many technically trained personnel from the mining industry, and most new graduates, leading to the loss of a significant proportion of the base metal exploration and mining industry culture and expertise.

In January 2010, prompted by the envisaged future decline of the oil and gas sector and a need to generate wealth and employment, the new Norwegian Mineral Act came into force, merging five old and difficult mining and related acts, and making exploration and mining in Norway significantly easier and more effective.

The Norwegian economy is a prosperous home to welfare capitalism. The country is well endowed with natural resources and its oil and gas sector produces more than half of exports and 30% of revenue. It is the world's third largest gas exporter and seventh largest oil exporter. It has the highest human development index in the world. While it is not a member of the EU as a member of the European Economic Area it contributes to the EU budget.

The country is well endowed with infrastructure, is politically stable, has a well established European based legal and financial framework, and English is widely spoken.

Geology and Deposits

The geology of mainland Norway is dominated by the Caledonide Orogeny. Most of the old base metal mines are located within volcanogenic massive sulphide deposits within these volcanic successions. Copper zinc mineralisation is found within the mafic volcanic segments with mid ocean ridge basaltic /ophiolitic sequences (Cyprus type) and basalt/sediment sequences (Besshi type). Historically these have higher copper grade than other copper deposit types.

There have been 3 mines producing in excess of 10Mt of copper ore and 6 producing in excess of 5Mt of copper ore.

Drake Norway Status

Drake believes the future for copper is good, and Norway holds significant exploration potential for this key commodity. The country has deposit types which are higher grade than most, being underexplored with modern technology, as well as now having a favourable exploration environment.

Drake commenced a review of copper in Norway early in 2010 which has resulted in claim applications being submitted over key ground over and adjacent to significant mining districts mentioned above.

Drake and its alliance partner, Panoramic Resources Ltd, now hold two joint ventures in Norway:

- 26 claims (258 km²) at **Løkken**
- 13 claims (130km²) cover deposits in the **Nordgruva** Field in the Røros district

Løkken is believed to be the largest Cyprus type copper deposit in the world. Mining ceased in 1986, and there has been no exploration in the district since then.

Parts of the Løkken orebody extend into the Drake claims. The Norwegian state hold three small mining leases over the area around the old mine shafts. Drake holds the remainder of the district.

Alliance and joint venture terms

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.