

9 January 2012

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DRAKE RESOURCES IDENTIFIES STRONG ELECTROMAGNETIC CONDUCTORS AT LØKKEN, NORWAY

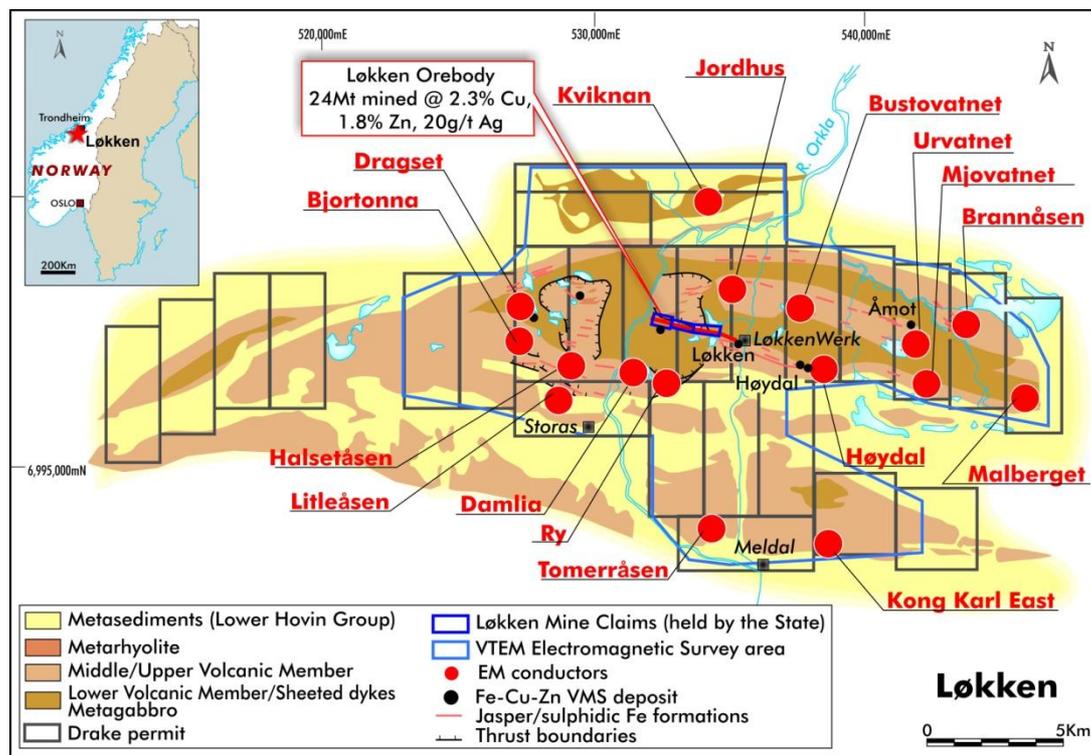
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HIGHLIGHTS

- **Airborne electromagnetic VTEM survey flown at Løkken in September 2011**
 - **Survey targeting copper-rich massive sulphides in an area not explored by modern technologies**
 - **Numerous untested late time anomalies identified**
 - **Long history of copper mining within permits**
 - **Exploration program of ground EM follow up and drilling 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 code: DRK) took up a very extensive landholding in the Løkken copper zinc mining district of central Norway with its alliance partner, Panoramic Resources Ltd (ASX code: PAN) during 2010.



The 26 claims cover 258 square kilometres of the Løkken historic mine site, where 24 million tonnes of 2.3% copper 1.8%, zinc and 20g/t silver were mined between 1654 and 1987 (source Norwegian Geological Survey). The mineralisation is hosted in basalts.

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

Drake holds all of the most prospective ground in this area, with the exception three small leases held by the Norwegian government.

Alliance and joint venture terms

Under the alliance terms, 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.

Survey results

Geotech Airborne Malta were contracted to fly the VTEM survey during August/September 2011. Lines were flown at 150 metres spacing; magnetic and electromagnetic data was collected. Final data for the survey was received in November 2011.

The analysis and interpretation of the VTEM survey by Drake's geophysical consultants, Newexco, is nearing completion. This work 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: "We consider the results of the survey to be 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."

Drake Resources 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 Løkken joint venture as a significant opportunity for the company in what we considered to be an underexplored country."

Ground EM surveying and drilling is planned in 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.