



ASX Announcement  
1 August 2012

## Løkken Project, Norway exciting copper zinc drill targets identified

- Løkken Mine largest single copper zinc deposit in Norway
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- Løkken produced 24 Mt ore @ 2.1% Cu, 1.9% Zn & 19g/t Ag between 1654 & 1987 (Source Norwegian Geological Survey)
- Ground Fixed Loop EM surveys conducted in March/April confirm presence of source conductors
- Modelling of EM suggests relatively flat lying to steep dipping rods & plates which have potential to be generated by large massive sulphide bodies
- First phase program - five drillholes to test high quality targets
- Drake joint venture with Panoramic Resources Ltd

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*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 copper. They include a premier position in the historic Falun Mine in Sweden and joint venture projects in Norway and Finland. 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.*

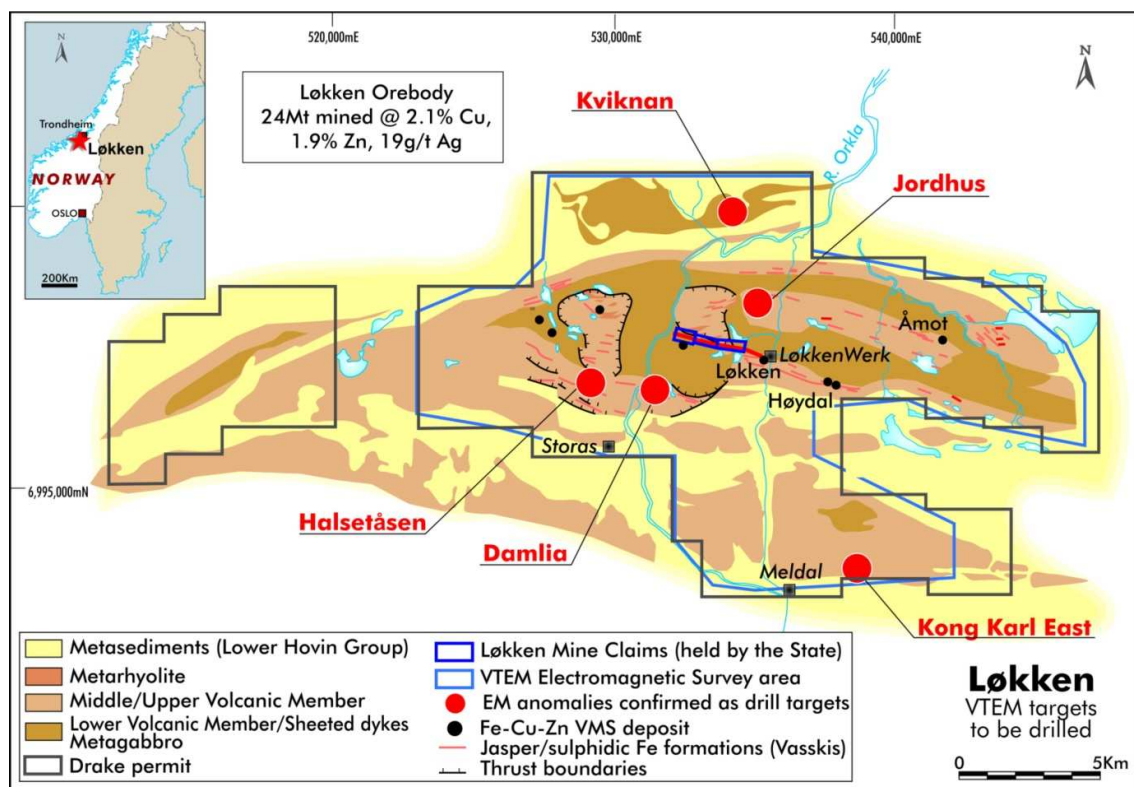
**Drake Resources (ASX: DRK, Drake)** has identified five, excellent drill targets for potential copper and zinc mineralisation in the Løkken district.

The targets are the result of extensive surveying including helicopter borne VTEM and ground geophysical programmes.

Drake's Managing Director, Dr Bob Beeson, is enthusiastic about the quality of the targets: "We have completed a thorough vetting of the targets by means of ground electromagnetics, gravity surveys and exploration reconnaissance".

Drake's 26 claims cover the complete Løkken copper-zinc mining district of central Norway, with the exception of three small claims over the old mine. The Løkken area is held in joint venture with Drake's alliance partner, Panoramic Resources Ltd.

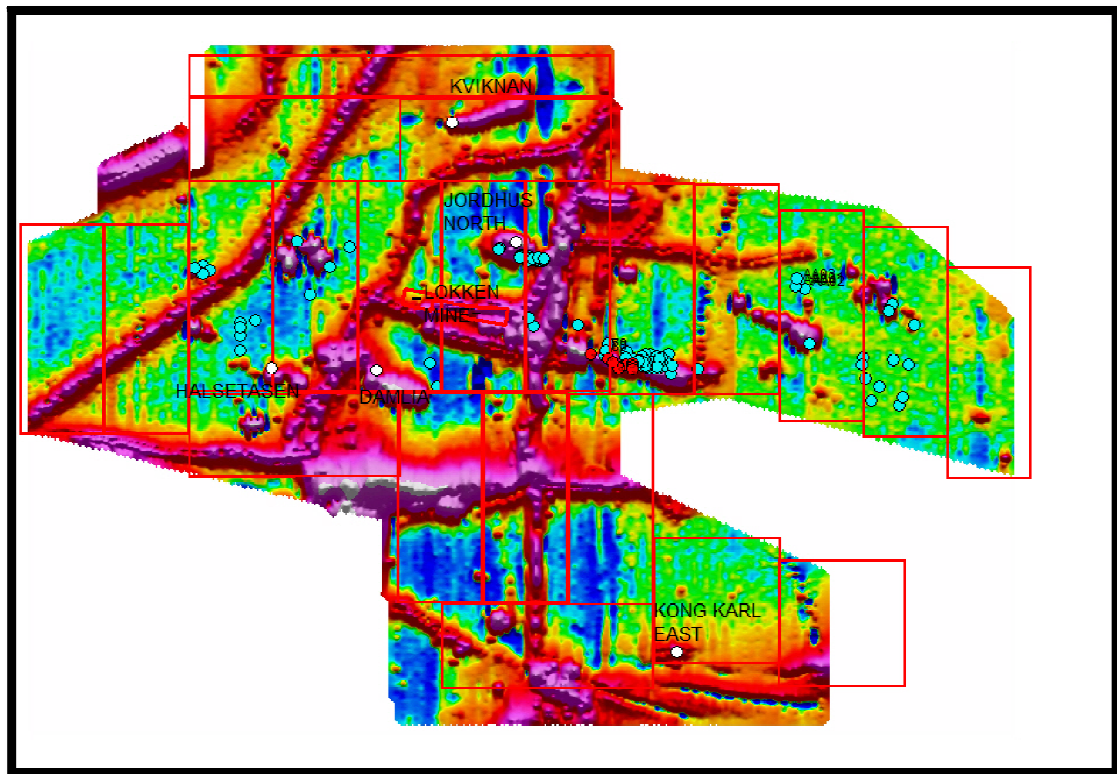
The Joint Venture flew a helicopter borne VTEM survey in August 2011. The analysis and interpretation of the VTEM survey identified a number of conductors within the survey areas which may be caused by massive sulphide mineralisation, as was reported in January of this year.



Outline of Drake claims on geology showing fixed loop ground EM conductors on which drilling is planned

Fixed Loop ElectroMagnetic (FLEM) ground surveying was required to enable modelling of selected conductors. In addition gravity surveying was conducted over some of the anomalies to discriminate less dense, non-sulphidic conductors such as graphite.

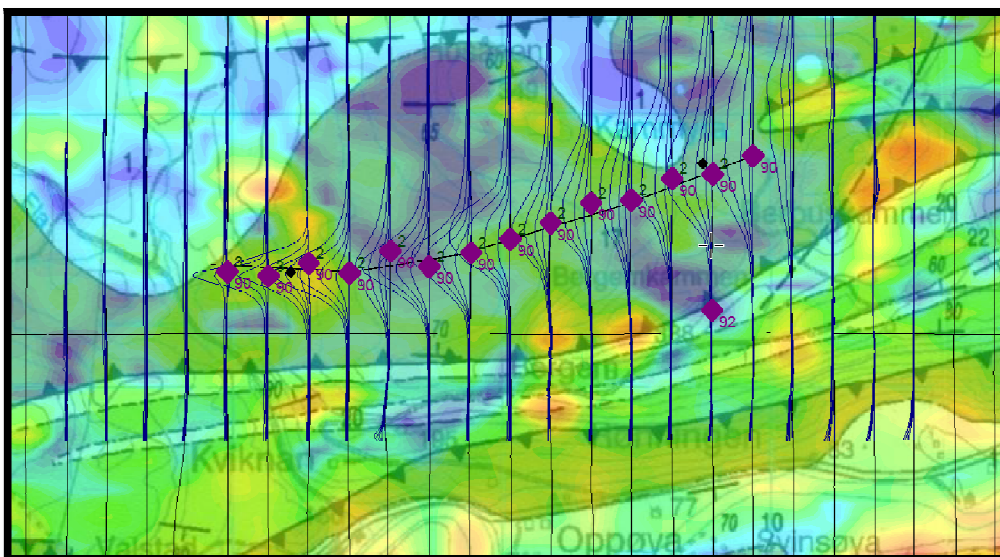
Drake's ground geophysical follow up programme has identified five, high quality drill targets.



Plans showing VTEM Ch 20 image with Løkken Mine in centre (outlined in small red claims), ground EM anomalies to be drilled (labelled) with proposed drillholes (white dots), prior drillholes (blue dots); continuous linear features are power lines

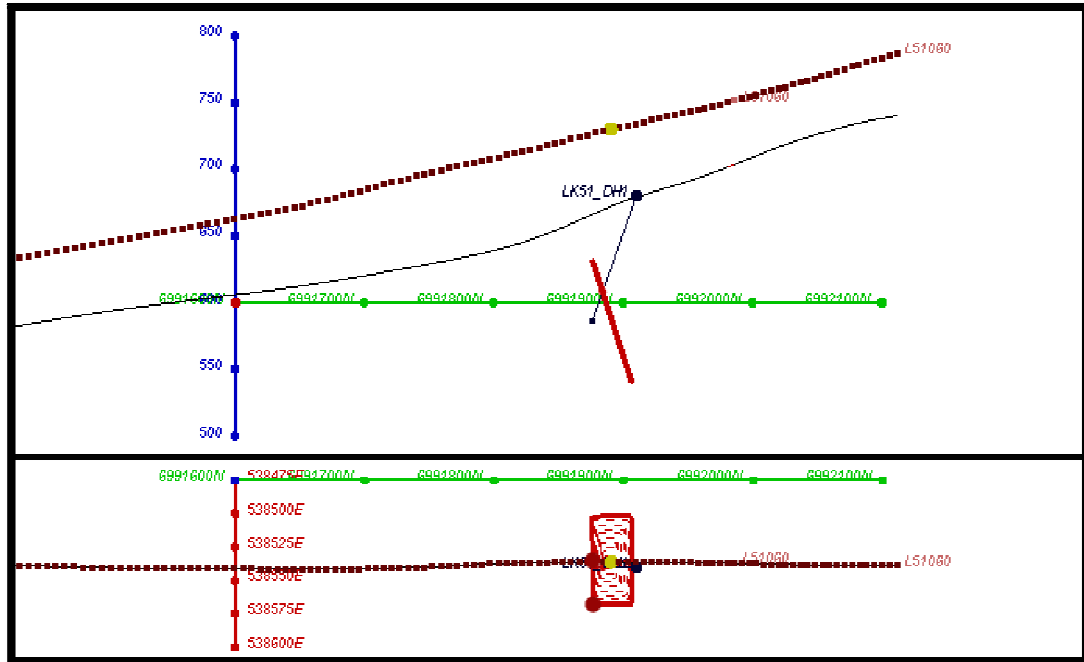
## Drill Targets & Geology

The **Kviknan** anomaly is about 1.8 kilometres long and modelled as a plunging, rodiform conductor dipping shallowly to the east. It is contained entirely within the basalt sequence hosting the Løkken orebody. Glacial sediments cover the area closest to where it may outcrop. No gravity or FLEM were collected here because the VTEM data was easily modelled.



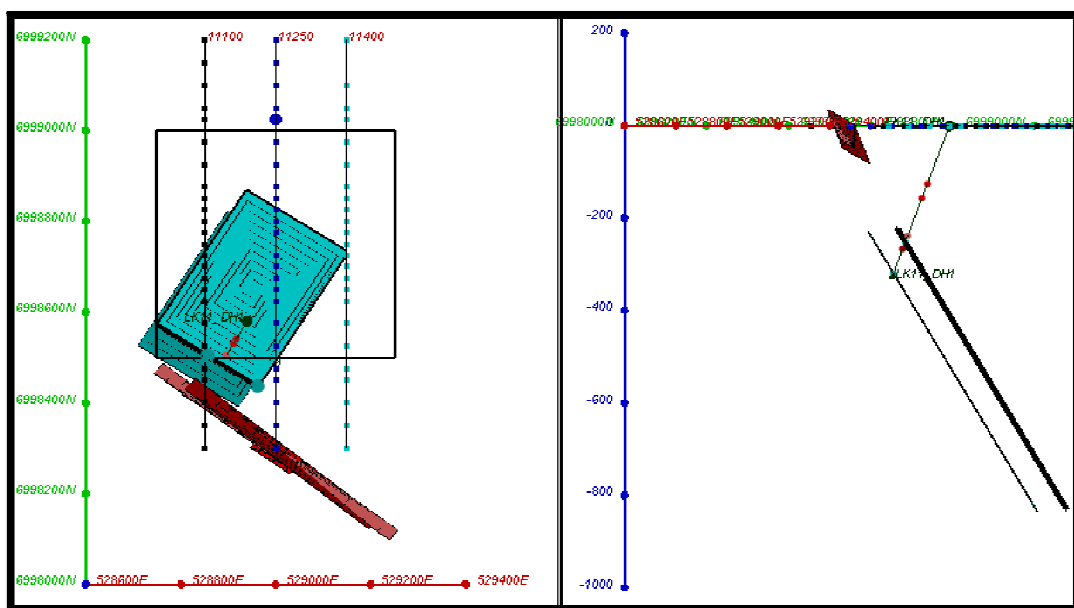
Kviknan VTEM profiles on coloured magnetic image in turn dropped on the NGU geology plan. Lines are 150m apart and host geology is basalt

The **Kong Karl East** anomaly lies along strike of the small Kong Karl copper-zinc massive sulphide deposit and appears to be rodiform extending in depth. Like Kviknan the source was directly modelled from the VTEM. The anomaly while covered by glacial sediments does appear from lateral geology to be hosted by basalts.



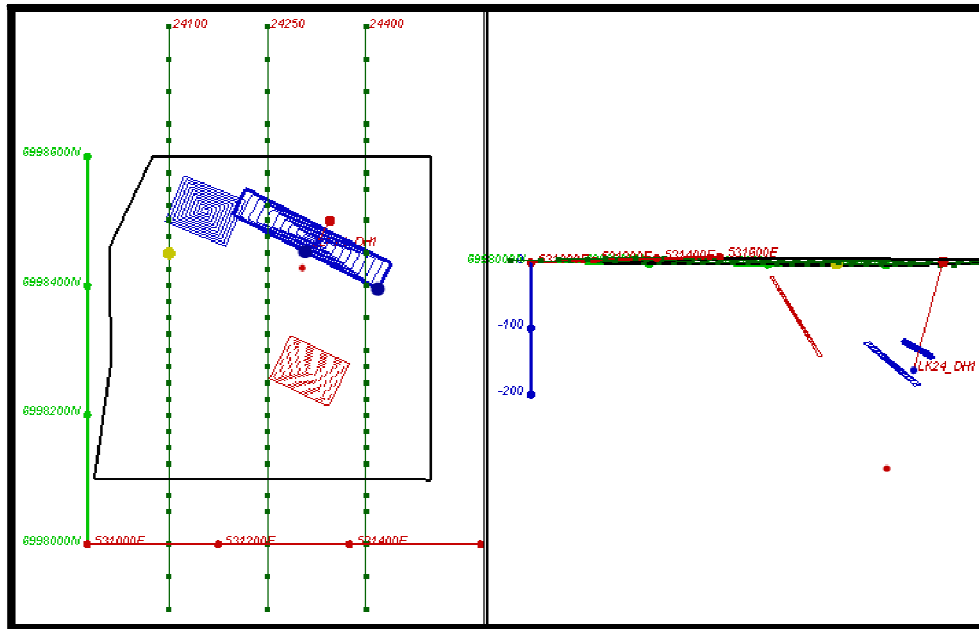
Plan and section views of the Kong Karl conductor modelled from the VTEM survey

The **Halsetåsen North** anomaly occurs close to and down dip of a well-developed exhalative horizon which has been mined for roadstone and appears as a red conductor below. The target of interest is a deeper sub parallel conductor stratigraphically below in this inverted stratigraphy at a similar position to the mine sulphide horizon. The conductors are hosted by basalts.



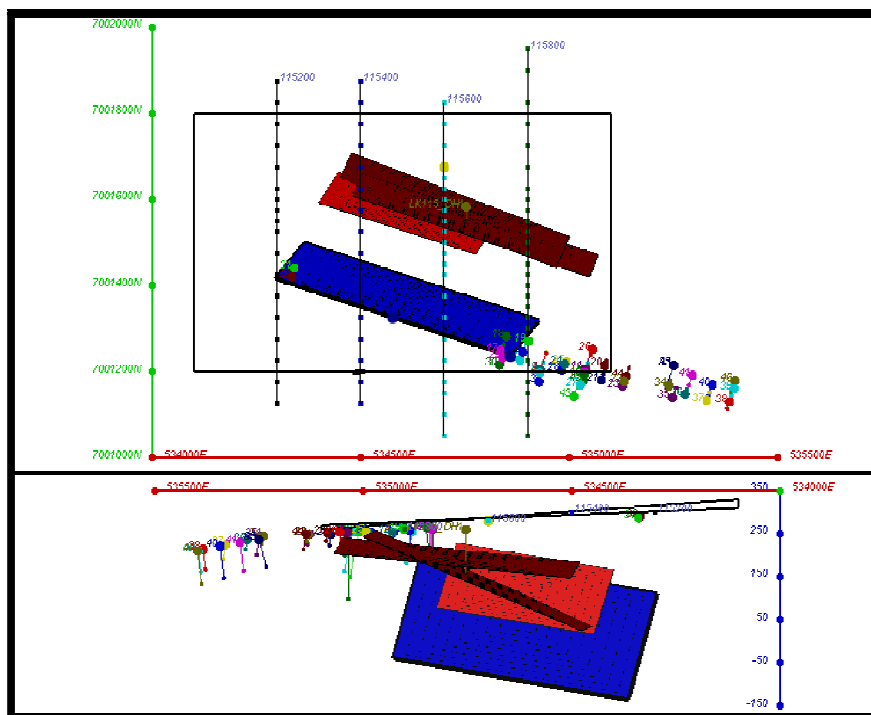
Halsetåsen North Plan and Section modelled from ground Fixed Loop EM and proposed hole.

The **Damlia North West** anomaly is very similar, in that a planar conductor in red is associated with surface outcrop of exhalites while stratigraphically below is a rodiform conductor (shaded in blue) in a similar stratigraphic position to the Løkken orebody. The conductors are hosted within basaltic stratigraphy.



Damlia NW Plan and Section modelled from ground FLEM, showing proposed hole

At **Jordhus** a planar conductor (in blue) was extensively drilled in the 1950's, and intersected a well-developed but poorly mineralised exhalative horizon. At **Jordhus North** a well developed rodiform conductor extends stratigraphically below the exhalative horizon in this inverted stratigraphy and is therefore a priority target. The conductors are hosted within basalt.



Jordhus North Plan and Section modelled from ground FLEM.

## The Løkken Copper District

The Løkken Mine is the largest single copper zinc deposit in Norway and would appear to be the largest Cyprus Type deposit in the world. The mine produced 24Mt of 2.1% Cu 1.8% Zn and 19 g/t Ag. It was mined continuously between 1654 and 1987 (Source NGU) when mining ceased. The mineralisation is hosted in basalts.

The old mine is covered by three small claims held by the State. Parts of the Løkken orebody extend into the Drake claims. Drake permits cover the remainder of the district.

Mineralisation at Løkken is comprised chalcopryite, pyrite, and sphalerite with minor pyrrhotite and magnetite set within a quartz carbonate matrix and extended over some four kilometres. The mineralisation is structurally controlled in a rod-like form extending from surface in the east to approximately 1,200 metres deep in the west.

## Alliance and joint venture terms

Under the alliance terms, Panoramic has the right to sole-fund exploration to earn a 70 per cent interest in the projects. Drake can participate in the projects at 30 per cent or 10 per cent or revert to a two per cent Net Smelter Return royalty.

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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.*