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ASX Announcement

22 October 2013

Exploratory hole identifies two significant off hole conductors at Nordgruva - Norway (Drake / Panoramic JV)

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Drake, with its joint venture partner in the Nordgruva project, Panoramic Resources Limited advises that diamond drilling and down hole electromagnetics (EM) at the Nordgruva Copper Zinc prospect is complete, assays pending.

The objective of the preliminary hole (NKSD001) was to investigate one of five exceptional conductors identified from a detailed airborne electromagnetic (VTEM) survey flown by Drake in 2012 and followed up with ground EM.

The down hole EM survey conducted at completion of drilling has identified two significant, strong off-hole conductors at 400m and 450m (Figures 1, 2 and 3). Drake's CEO Jason Stirbinskis said "There are many unknowns and variables to consider in the context of these conductors however their stratigraphic position, characteristics and strength suggest they could both represent massive sulphides of substantial thickness. Within the region Drake has interpreted three mineralised horizons in areas of past mining (Fig 1). Importantly the identified conductors appear to be coincident with the upper two of these horizons".

Geochemical assays of the NKSD001 core are not expected until November. Visual logs have identified minor sulphide mineralisation of substantial widths at numerous depths and the host rock appears consistent with ore bearing units of the region. See ASX announcement 8 August 2012 for more regional details.

Nordgruva is part of the Røros mining district in central Norway which has a copper/zinc mining history extending back over 300 years from multiple sites.

Follow up drilling is planned in the new calendar year.

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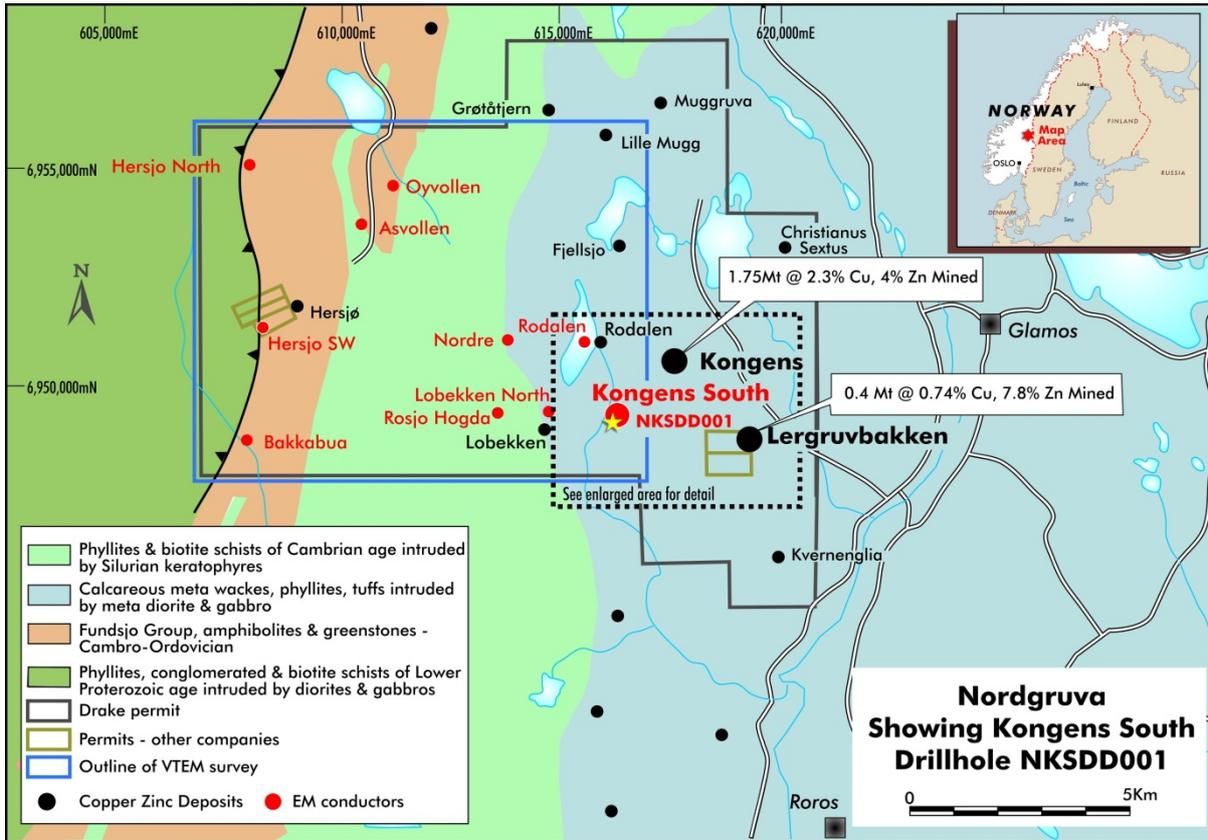


Figure One: Nordgruva JV permit area contains historical mines and numerous targets generated from modern exploration techniques

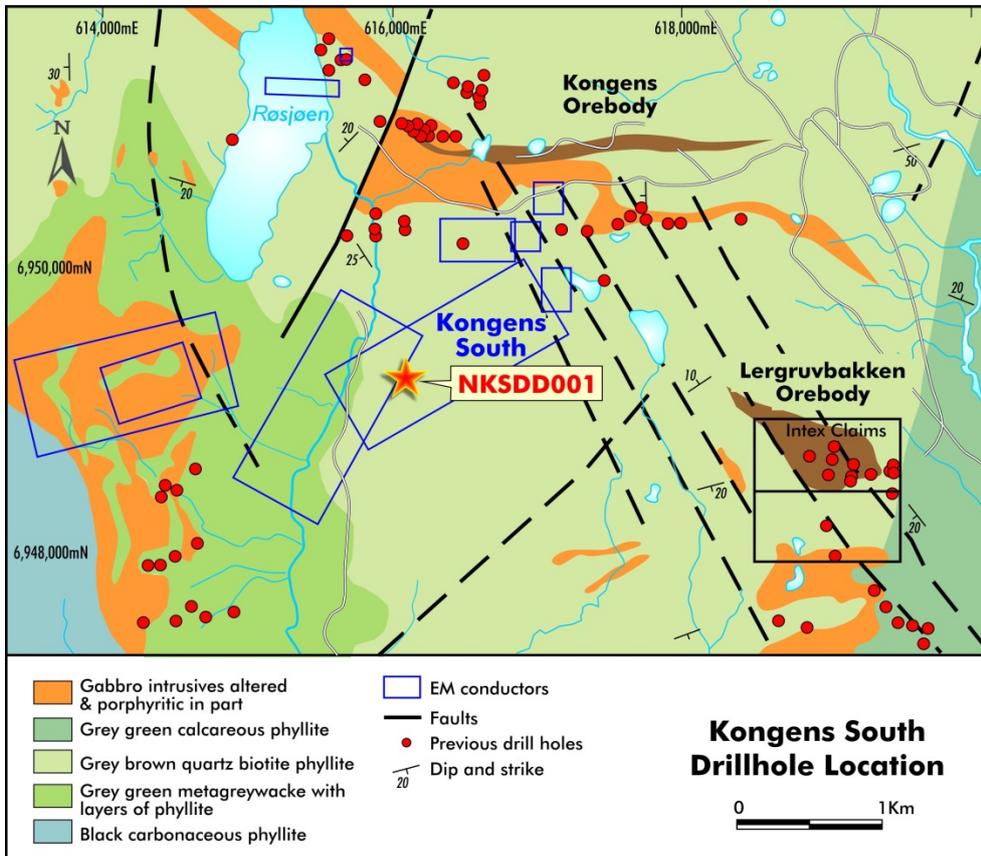


Figure Two: Enlargement of Kongens South region of Nordgruva highlighting drill hole location in relation to multiple EM conductors

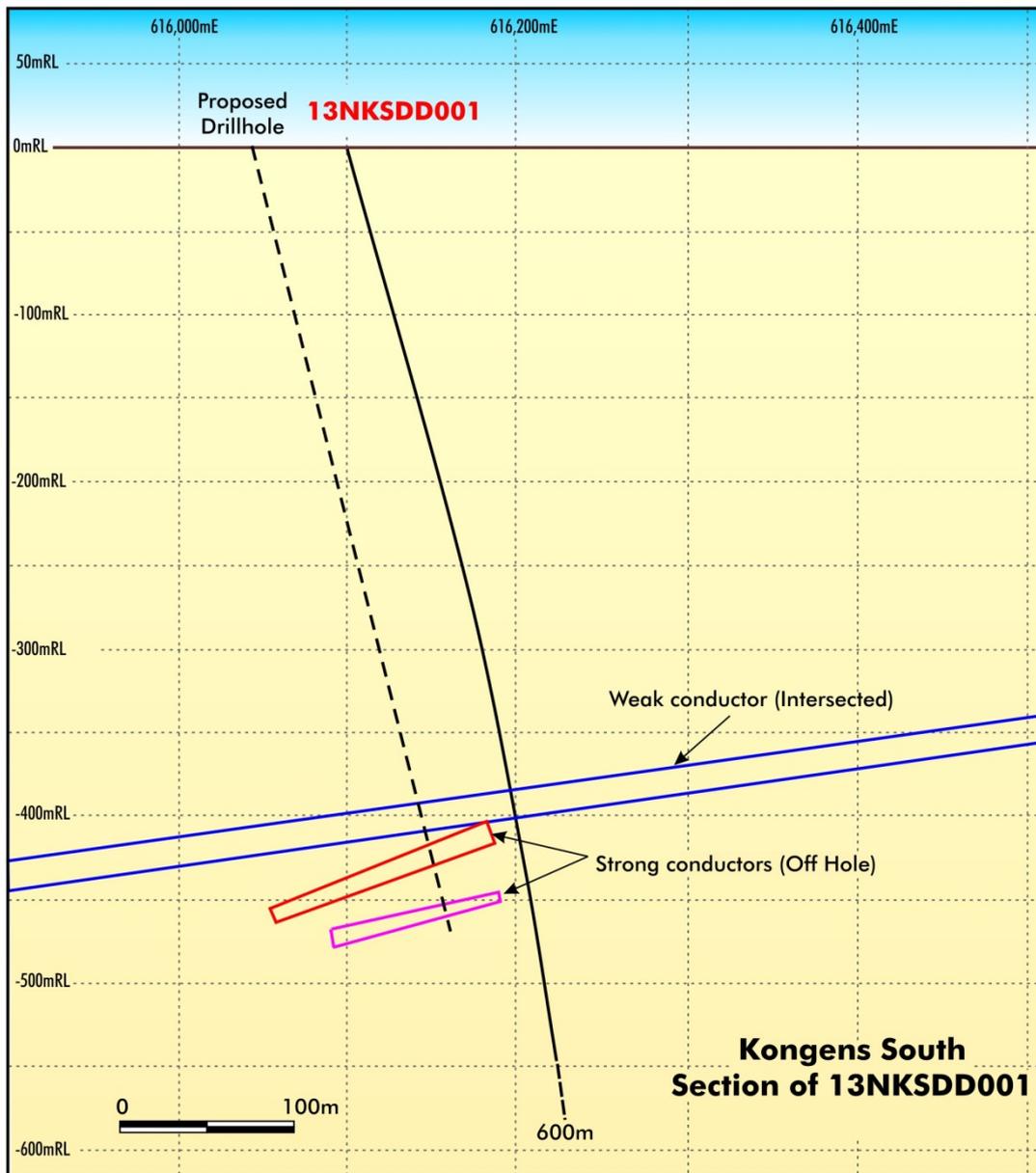
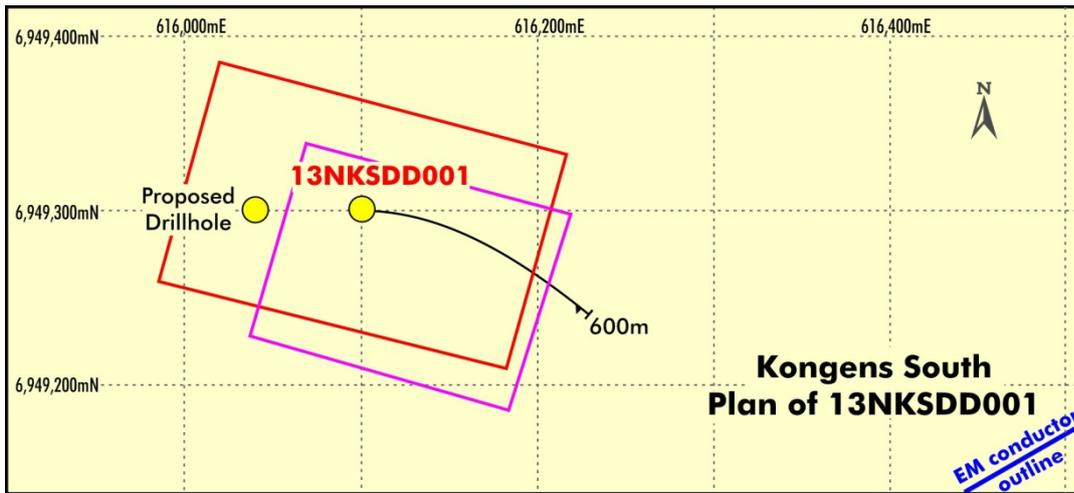


Figure Three: Plan and cross sectional view of holes and proximity of strong off-hole conductors

Competent Persons Statement

Dr Bob 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 Beeson is a Director of Drake and consents to the inclusion in the Announcement 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 Mining and Metallurgy.

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