

SCANDINAVIA ALLIANCE WITH PANORAMIC RESOURCES LTD

Drake Resources has entered 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. The alliance will give priority to copper opportunities in the region.

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, and its current Drake-only and Royal Falcon Mining Joint Venture in Sweden. In addition Drake has established an extensive database for other countries in Scandinavia. The Company has an operating base at Falun in Sweden.

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.