

13 October 2010

First Joint Ventures in Finland with Panoramic Resources

- **Drake Resources Ltd and Panoramic Resources Ltd have established two Joint Venture agreements in Finland**
- **The Joint Ventures cover prospective sections of the Pyhasalmi-Vihanti Copper-Zinc Belt, a major Scandinavian base metal region**
- **Drake Resources has acquired, on behalf of the Joint Venture, reservations and claims totalling 400 square kilometres**
- **A detailed airborne electromagnetic survey has already been completed for the Joint Venture areas**
- **Final survey results anticipated in two weeks**

Drake Resources Limited (ASX code: DRK, "Drake") has recently announced an Alliance to identify, explore and develop base and precious metal opportunities with Panoramic Resources Ltd (ASX code: PAN, "Panoramic") in Scandinavia. The first outcomes from this Alliance are two Joint Ventures in the highly mineralised copper-zinc belt of central Finland.

The Pyhäsalmi-Vihanti region is the most important zinc mining belt in Finland, with past mining and reserves in excess of 100Mt of ore. The main mine of the belt is Pyhäsalmi, with past production and reserves of 71Mt @ 0.79% Cu, 2.47% Zn, 15 g/t Ag and 0.4 g/t Au.

Pyhäsalmi is an operating, underground mine, and produces three types of concentrates: copper, zinc and pyrite. Copper and zinc concentrates are sold under long-term contracts to smelters in Finland. Pyrite is sold in Europe and Asia. In 2009, 48% of Pyhäsalmi's revenue was from copper, and 31% was from zinc. Cash operating costs are currently C\$36/tonne.

The Joint Ventures cover prospective land south of Pyhasalmi which contains numerous small copper-zinc-silver-gold prospects. The Joint Venture areas have not been subject to modern exploration, and Drake considers that an opportunity exists to define new copper-dominant deposits within these areas.

Drake, on behalf of the Joint Venture, has made applications for approximately 400 square kilometres of prospective geology.

A substantial exploration programme is already underway for the Joint Venture areas. A major VTEM airborne electromagnetic survey has been completed, flying 2675 line kilometres. Drake considers that the new generation electromagnetic methods can see much deeper into the earth than the previously used geophysical methods. Final results from the survey will be available for interpretation in 2 to 3 weeks.

Finland is a mining-friendly country with a long history of mining activity and metals production. Mining commenced in 1540 and since then about 270 metal mines have been in operation, the main commodities being copper, nickel, zinc, gold, and chromium. The Vancouver-based Fraser Institute ranked Finland as the second most favourable jurisdiction for mining investment in their August survey. The corporate tax rate is 26%.

Prior to 1995 foreign companies were prohibited from holding mineral rights in Finland and mineral exploration and mining was largely dominated by the State controlled Outokumpu company. Finland has not, therefore, been subjected to the cycles of exploration that have occurred in the main Australian metal regions. This represents a significant opportunity for Drake and Panoramic.

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.

-ENDS-

For more information, please contact:

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Corporate Information

Directors

B Fraser	Non-Executive Chairman
Dr R Beeson	Managing Director
J Stephenson	Non- Executive Director & Company Secretary

Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

52,729,231 fully paid ordinary shares

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.

