



ASX RELEASE

1 August 2011

ASX (Perth office)
Exchange Plaza
2 the Esplanade
PERTH WA 6000

DRAKE RESOURCES ANNOUNCES SUCCESSFUL \$7 MILLION PLACEMENT TO ACCELERATE ITS WEST AFRICAN EXPLORATION PROGRAM

- **Drake Resources Limited announces a successful \$7 million placement (Placement)**
- **Funds raised will be used to advance Drakes exploration program at its Mauritanian Gold projects and advance development of its Senegal and Scandinavian projects**

Drake Resources Limited (ASX:DRK) ("**DRK**" or "**the Company**") is pleased to announce that it has received firm commitments for 17.9 million fully paid ordinary shares ("**Shares**") at \$0.39 per Share to raise \$7 million before costs ("**Placement**").

The Placement was strongly supported by new and existing Australian and international institutional and sophisticated investors.

Funds raised will be used to undertake further drilling and advance Drake's exploration program at its highly prospective Mauritanian gold assets, and commence exploration at Drake's newly acquired Senegal Project. Drake will also use part of the funding to further progress drilling and development of its Scandinavian projects.

For more detail refer to the Investor Presentation release to the market in conjunction to this announcement.

Placement

GMP Securities Australia Pty Limited (“GMP”) acted as Lead Manager to the Placement.

The Placement to institutional and sophisticated investors will be made in two tranches:

- Tranche 1: comprising 9.155 million Shares to raise approximately \$3.57 million to be issued immediately under the Company’s 15% capacity, pursuant to ASX Listing Rule 7.1. Settlement of tranche 1 is scheduled for 8 August 2011; and
- Tranche 2: comprising approximately 8.8 million Shares to raise a further \$3.43 million to be issued subject to shareholder approval at a meeting of shareholders to be held on 5 September 2011.

The Placement is conditional upon GMP’s obligation under its mandate as Sole Lead Manager, which are standard and customary, not ceasing or terminating.

Bob Beeson, Managing Director of the Company said “We are delighted with the strong level of support that Drake Resources Limited has received from both existing and new shareholders as well as new institutional investors participating in the Placement”.

“The capital raised will allow Drake to undertake further drilling and advance its exploration program at its highly prospective Mauritanian gold assets, commence exploration at Drake’s newly acquired Senegal Project and progress drilling and development of its Scandinavian projects”.

For further information about DRK or the Placement, please contact:

Dr Bob Beeson
Managing Director
Drake Resources Limited
+61 3 9890 0292

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.