ASX Announcement

12 April 2012

GREENFIELDS COPPER-NICKEL DISCOVERY AT GRANMUREN, SWEDEN

HIGHLIGHTS

- **Drilling on 100% Granmuren target intersects previously unrecognised Cu-Ni-Co mineralisation**
- **Mineralised intersections up to 97m wide, including:**
  - **16.6m @ 0.47% Cu, 0.30% Ni & 0.03% Co from 48.7m**
  - **42.3m @ 0.26% Cu, 0.26% Ni & 0.02% Co from 34.6m**
- **Mineralisation starts from 10m of surface**
- **Exceptional infrastructure close by**
- **Direct rail links to smelters in Sweden, Finland & Norway**
- **Next steps - ground gravity survey to identify extensions & support calculation of conceptual exploration target**
- **Additional permit applications submitted**

Drake Resources (DRK) is an ASX-listed base and precious metals explorer with advanced and highly prospective projects in Scandinavia and West Africa. Projects include the historic world class Falun Mine in Sweden where high-grade gold-copper is the focus. In Finland and Norway Drake is exploring for economic copper-zinc mineralisation with its alliance partner, Panoramic Resources. In West Africa the focus is on discovering economic gold deposits in the underexplored terrains of Mauritania, Senegal and Guinea. Drake's aim is to be a successful and profitable mining company delivering strong shareholder returns.

Drake Resources Limited (ASX:DRK) is excited at the widespread nickel-copper mineralisation intersected on its 100% owned Granmuren Prospect in the Bergslagen District, Sweden, where no previous exploration is known to have occurred.

Key intersections include:

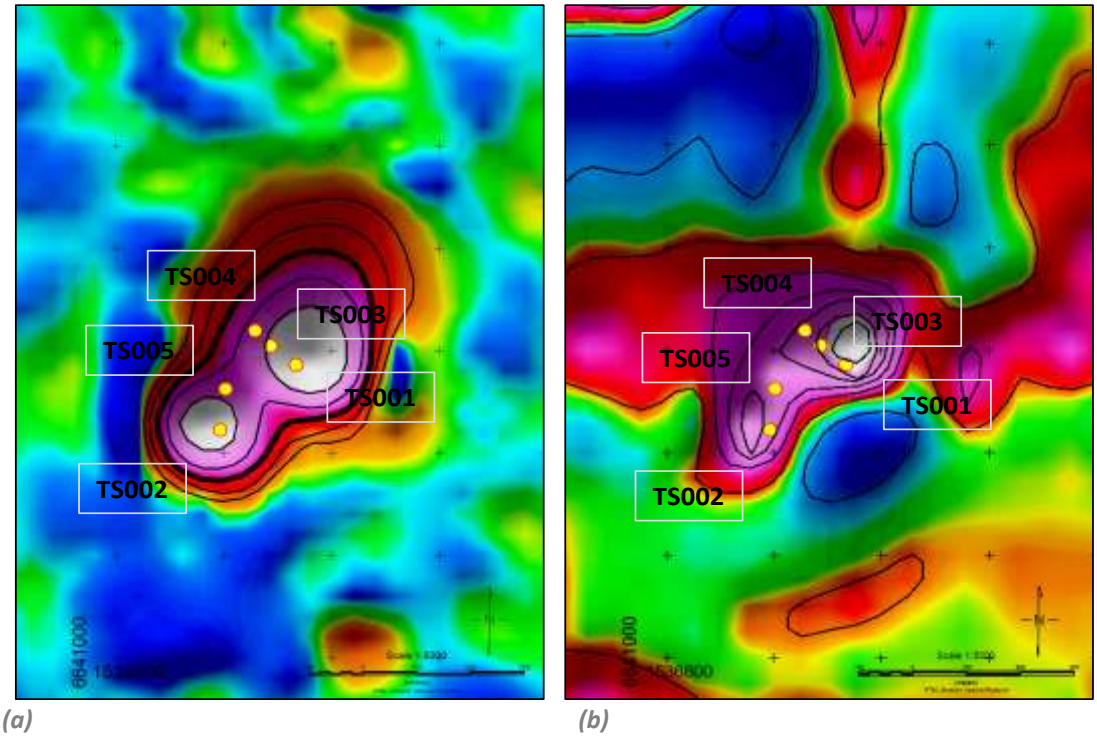
- **16.6m @ 0.47%Cu, 0.30%Ni and 0.03% Co from 48.7m** in hole 12DDTS001
- **42.3m @ 0.26% Cu, 0.26% Ni and 0.02% Co** from 34.6m within a broad intersection of **97m @ 0.17% Ni, 0.17% Cu a**nd **0.02% Co** in hole 12DDTS003

Drake's Managing Director, Dr Bob Beeson said: "The Granmuren discovery validates Drake's strategy of applying 21st century technologies, in this case geophysics and data processing and visualization, to historic mining belts. Sala made Sweden a major silver producer in past centuries, and Drake has demonstrated that discoveries can still be made in these old mining districts.

"The mineralisation starts from immediately below the glacial cover material, so potential future mining will be low cost.

"It is also hard to imagine an area with better infrastructure. Rail within seven kilometres, power two kilometres and road only three kilometres away, as well as several nickel smelters within the Scandinavian rail network."

A total of five diamond drill holes were completed with best mineralised intersections summarised in Table 1. The holes were targeted on a shallow coincident electromagnetic (VTEM) and magnetic anomaly (Figure 1).



(a) *(b)*

Figure 1: Granmuren drill holes on geophysical images (shown at same scale).
(a) Drill holes on VTEM (ch 28) (b) 2012 drilling on airborne magnetics (1VDRTP)

The Granmuren target was generated from an airborne electromagnetic survey (VTEM) flown over Drake's 100% Tullsta licence (Figure 2) in August 2011. It is situated in an area that has been mapped as gabbro by the Swedish Geological Survey (SGU) however it is largely covered with transported glacial sediments.

The strong and discrete EM response at Granmuren is modelled close to surface, has a strike length of about 300 metres and is associated with a moderate amplitude magnetic response.

The geophysical and gravity modelling suggests the mineralised body is a flat lying dense source close to surface.

The winter 2012 drilling campaign of 556 metres at Granmuren confirmed near surface mineralisation and that it is open along strike.

An extension to the gravity survey is planned for later in the month to target potential for plunging mineralisation as well as support the calculation of a conceptual exploration target. Drake is also anticipating further drilling in the northern summer.

Additional permit applications have also been submitted to cover highly prospective geochemical and geophysical targets.

"This project has the potential to reignite interest in the Bergslagen District as a host to significant copper and nickel mineralisation and in an area rich in infrastructure and mining heritage," concluded Dr Beeson.

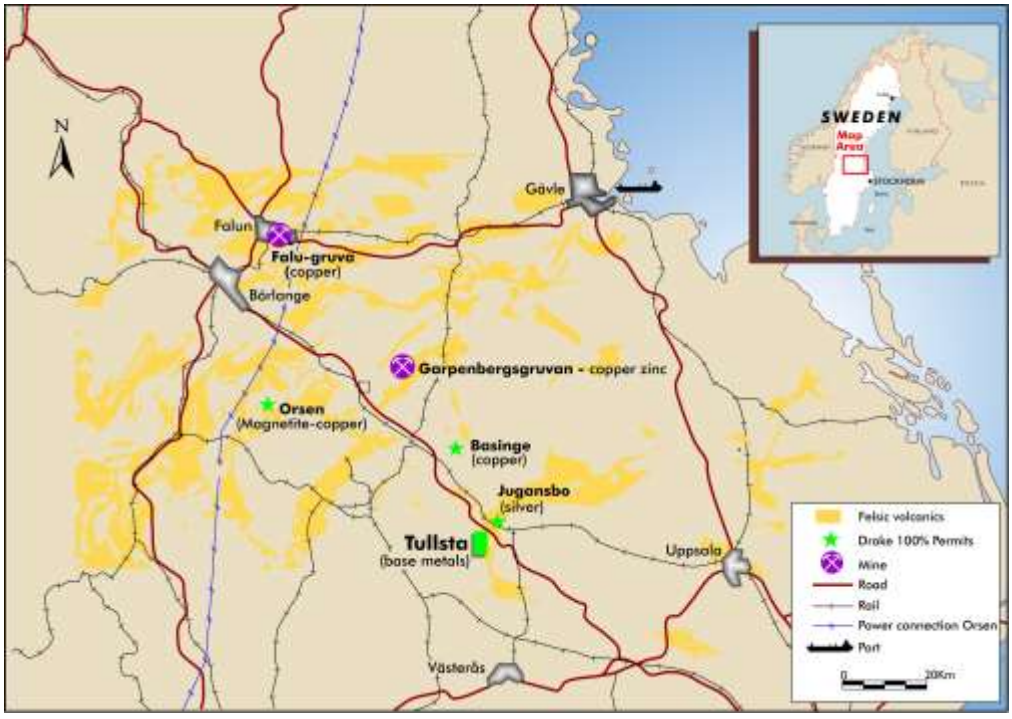


Figure 2: Location of Granmuren (Tullsta), southern Sweden

- ENDS -

Hole ID	East (RT90)	North (RT90)	Dip	Azimuth	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ni (%)	Co (ppm)
12DDTS001	1537133	6641572	80	135	136	9.7	12.7	3.0	0.24	0.21	156
and						20.7	32.7	12.0	0.19	0.20	155
and						48.7	65.3	16.6	0.47	0.30	332
including						48.7	54.3	5.6	0.70	0.31	321
which includes						51.3	52.3	1.0	2.05	0.45	457
and						83.3	86.3	3.0	0.11	0.11	135
12DDTS002	1536992	6641445	80	135	96.8	58.3	65.8	7.6	0.19	0.16	165
12DDTS003	1537086	6641609	80	135	123.7	34.6	76.9	42.3	0.26	0.26	256
including						54.4	65.9	11.6	0.50	0.47	455
including						55.4	55.9	0.5	1.28	0.60	566
including						61.9	64.9	3.0	0.48	0.73	702
and						86.9	106.9	20.0	0.18	0.17	192
12DDTS004	1537057	6641639	80	135	106.75	**Assays pending**					
12DDTS005	1537008	6641524	80	180	92.5	48.9	59.9	11.0	0.16	0.18	199

Table 1: Mineralised intersections, Granmuren.

Nickel-copper intersections quoted are downhole widths using one metre samples. Intersections are based on a lower cut-off of 0.1% Cu including up to two metres of internal waste. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures. Core samples are taken as half BQ core and sampled to geological boundaries where appropriate. Base metals are analysed by a four acid digest with an inductively coupled plasma atomic emission spectrometry (ICP AES) finish. Core cutting and sample preparation is undertaken at ALS Minerals' laboratory in Pitea, Sweden with base metals analyses at ALS Minerals in Vancouver. The quality of analytical results is monitored by the use of internal laboratory procedures together with certified standards, duplicates and blanks and statistical analysis to ensure that results are representative and within acceptable ranges of accuracy and precision.

All drillhole co-ordinates and azimuths from these are based on the Swedish RT90 grid and datum.

Mineralised altered gabbro, in 12DDTS001 (pyrrhotite>chalcopyrite)

Drilling at 12DDTS003, March 2012

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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.