



ASX Announcement

12 May 2014

Drake Retains 100% of Seimana Gold

- **Martineau Mining funding option period concluded**
- **Drake to retain 100% of Guinea and Mauritanian assets**
- **Drilling at Nordgruva Copper project to commence early June**
- **Drilling at Løkken to commence early July**



Drake Resources advises that Option Agreements with Martineau Mining concerning Drake's Seimana project and Tasiast South project have expired. Under the terms of the Seimana agreement¹, Martineau had a fixed period to secure 100% of all funding required to fast track this highly prospective target. The period has expired with the target amount not reached and therefore Drake has elected not to proceed with the arrangement. Similar circumstances apply to the Tasiast South agreement² with Martineau.

Drake's CEO Jason Stirbinskis said "Seimana has emerged as one of the most exciting gold prospects of recent times and has demonstrated the potential to be a globally significant discovery (fig 1) and therefore Drake welcomed the approach by Martineau to accelerate exploration. Drake will now take responsibility for the advancement of Seimana directly."

The Seimana property adjoins the 3.2 TriK deposit where Avocet Mining plc recently reported that Feasibility study work to date had confirmed the technical viability of a low cash cost operation. Avocet has commenced the Mining licence application process. Drake looks forward to progressing Seimana to reach a similar position.

Recent gold results from previously announced² rock chips assays from Seimana include –

70.8g/t	42.9g/t	29.4g/t	26.7g/t	15.8g/t	15.1g/t
15.1g/t	13.1g/t	10.9g/t	9.9g/t	9.2g/t	7.9g/t

Drake recently closed a capital raising via rights issue and will announce the results on 13 May in accordance with the dates set out in the prospectus. Drake is seeking interest in the shortfall placement.

Drake also wishes to advise that drilling contracts have been executed for programs at Nordgruva and Løkken copper / zinc projects to start in early June and July respectively. Please see the announcement dated 25/3/14 for program details⁴.

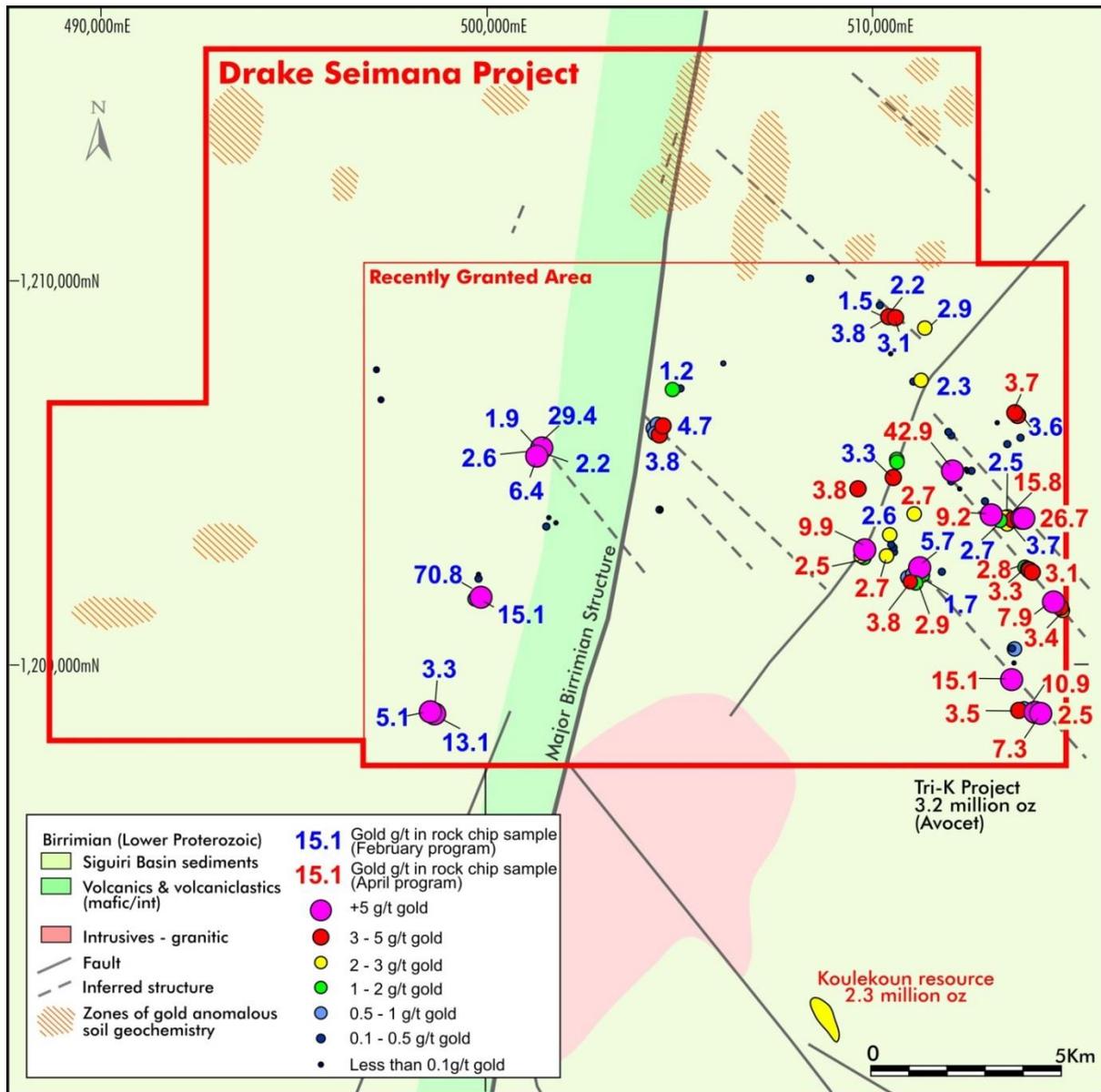


Figure One: Significant gold assay results (>2.5g/t Au) from recent rock chip sampling at Seimana - Guinea

Notes:

1. See announcement 28/3/14 "Drake Signs HOA on Guinea Gold" <http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1421-62746499/DrakesignsHOAonGuineagold>
2. See announcement 28/3/14 "Drake signs HOA on Mauritanian Gold" <http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1422-31790101/DrakesignsHOAonMauritaniangold>
3. See announcement 29/4/14 "Further Spectacular Gold Assays Seimana Project" <http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1430-63890073/FurtherSpectacularGoldAssaysSeimanaProject>
4. See announcement 25/3/14 "Drill Testing of 6 exceptional EM copper Zinc Targets Norway" <http://drk.live.irmau.com/IRM/Company/ShowPage.aspx/PDFs/1420-63519574/Drilltestingof6exceptionalEMcopperzinctargetsNorway>

For further information, please contact:

Jason Stirbinskis

CEO, Drake Resources

+61 (0)8 6141 3585

info@drakeresources.com.au

Mr Jay Stephenson

Company Secretary, Drake Resources

+61 (0)8 6141 3585

info@drakeresources.com.au

Competent Persons Statement

The information related to Seimana exploration results is extracted from the report entitled "Further Spectacular gold assays-Seimana Project" created on 29/4/14 and is available to view on www.drakeresources.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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.