



ASX Announcement
15 November, 2012

Drake discovers very strong conductor at Granmuren copper-nickel project

- Surface electromagnetic (EM) survey identifies new, extremely conductive target adjacent to previously drilled nickel mineralisation at Granmuren, Sweden
- Modelling of down-hole EM (DHEM) also confirms presence of conductors below previously drilled holes
- DHEM targets coincide with large, dense magnetic body, modelled below current drilling
- Previously reported mineralised intersections up to 97m wide, include:
 - 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

Drake Resources (DRK) is an Australian gold and base metals explorer with advanced and highly prospective projects in resource-rich West Africa and Scandinavia. In the underexplored West African provinces of Mauritania, Senegal and Guinea, Drake's focus is gold, including projects on the highly mineralised Tasiast greenstone belt. Projects in Scandinavia focus on nickel and copper. They include nickel resources at Espedalen in Norway, a new nickel-copper discovery at Granmuren in Sweden, and significant remaining mineralisation in the Joma copper-zinc mine. Drake's aim is to be a successful and profitable mining company delivering strong shareholder value by taking robust projects through to mining. The company is headquartered in Melbourne and listed on the ASX.

Drake Resources (ASX: DRK, Drake) has confirmed the existence of a very strong conductor at its Granmuren copper-nickel discovery in central Sweden following the completion of down hole and surface electromagnetic (EM) surveys.

Identification of this conductor significantly increases the potential for a substantial body of copper-nickel mineralisation at Granmuren.

The EM surveys targeted untested dense magnetic bodies, modelled from airborne magnetics and recently collected ground gravity data.

The sulphide-bearing mineralisation at Granmuren is known to be denser and more magnetic than the host rocks, so the coincident magnetic and gravity sources have been interpreted to represent potential massive nickel-copper mineralisation.

Newly interpreted from both the downhole and surface EM surveys, an extremely strong off-hole conductor was also identified to the north east of the currently drilled section (Figures 1 and 2). This conductor is modelled at the contact between the host gabbro and the country rock (diorite) and is interpreted as a potential basal accumulation of sulphides, or a potential feeder zone to the known mineralisation.

This conductor is an order of magnitude stronger than the mineralised conductors drilled to date and, if related to nickel mineralisation, is a compelling drill target.

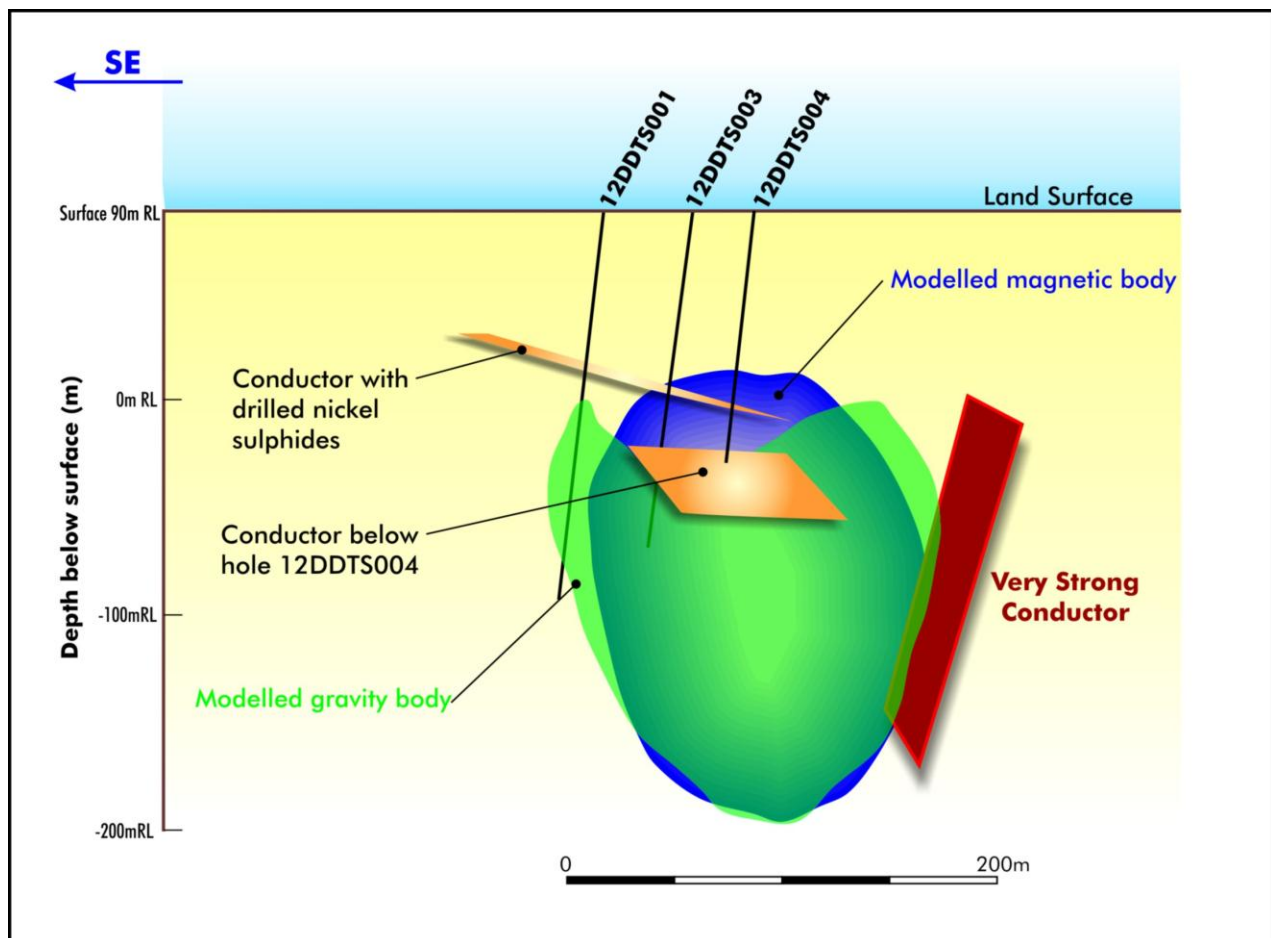


Fig. 1: Section illustrating the spatial relationship of gravity and magnetic bodies to newly identified electromagnetic conductive plates at Granmuren

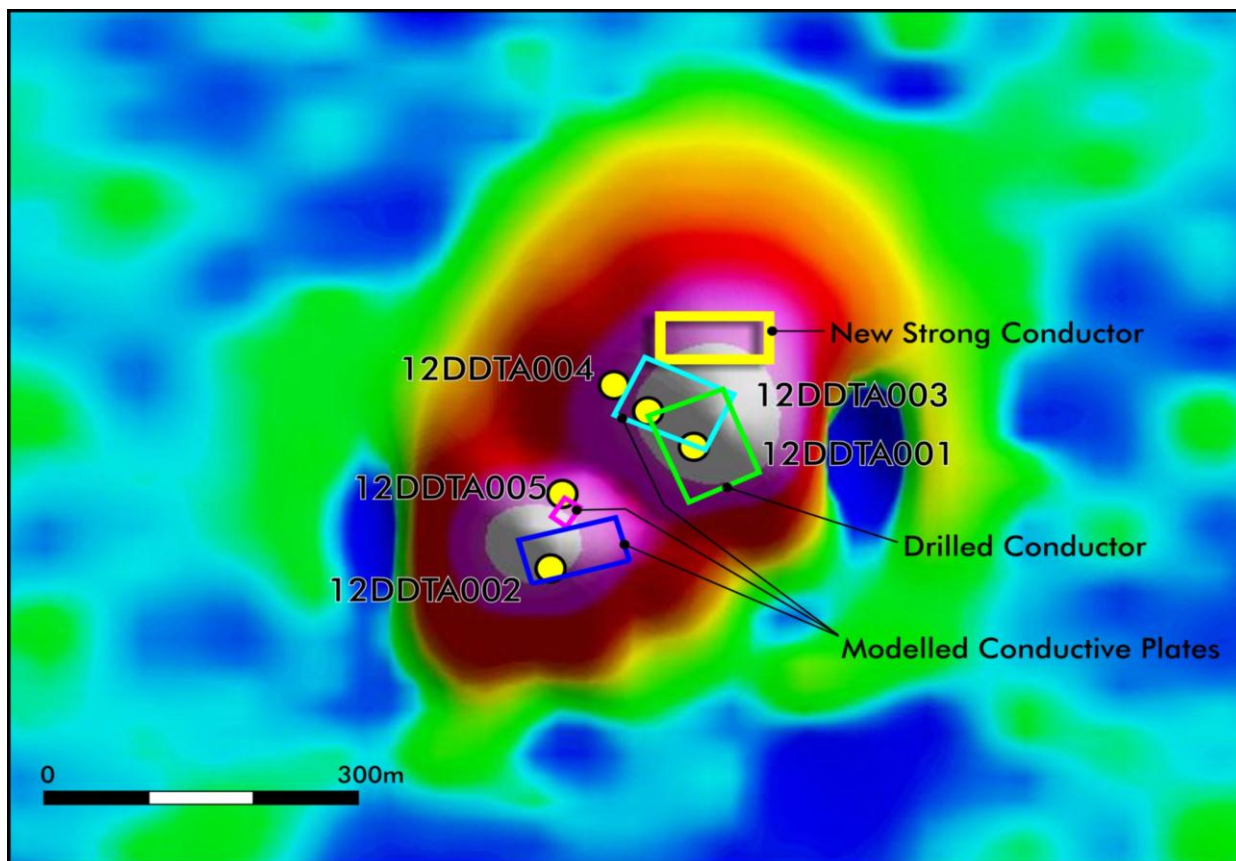


Fig. 2: Plan view of Granmuren EM anomaly (VTEM z28) with location of modelled conductive plates and new strong conductor

The down hole EM survey confirmed an electromagnetic conductor occurs below hole 12TS004 and 12DDTS003, which further supports this interpretation. The conductor represents a significant drill target (extending hole 12DDTS004, see Figure 3).

Drake's Managing Director Dr Bob Beeson says the discovery of this new conductor is a major step forward for the Granmuren Project.

"The identification of this very strong conductor at Granmuren is an exciting development for Drake and significantly increases the potential for a substantial body of copper-nickel mineralisation at the site."

"The position of the conductor at the interpreted contact of the dense, magnetic body is most encouraging, as these marginal zones are typical locations for thicker, higher grade nickel sulphide accumulations."

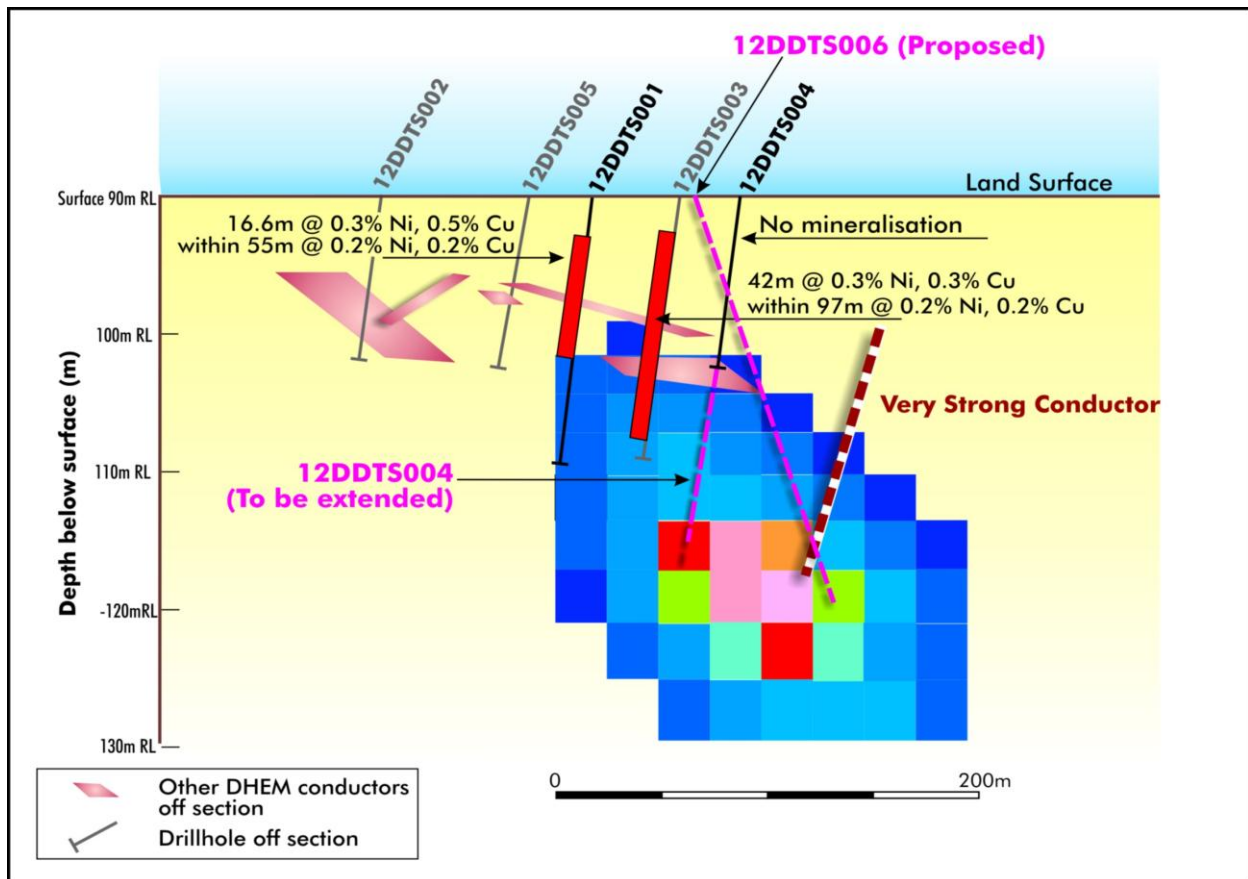


Fig. 3: Oblique section looking west of drilling and mineralisation intersected to date, modelled magnetic body (clipped at 0.2SI) in relation to new conductor and drill hole proposed to test this

Next Phase of Drilling

Drake plans to drill test the new conductor during the current winter drilling season.

In addition the company will extend hole 12DDTS004 for at least 100 meters to test for further mineralisation within the dense magnetic body beyond the current end of the hole (Figure 3).

Background

The Granmuren target in central Sweden's Bergslagen District was generated from an airborne electromagnetic survey (VTEM) flown over Drake's 100 per cent owned Tullsta licence 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.

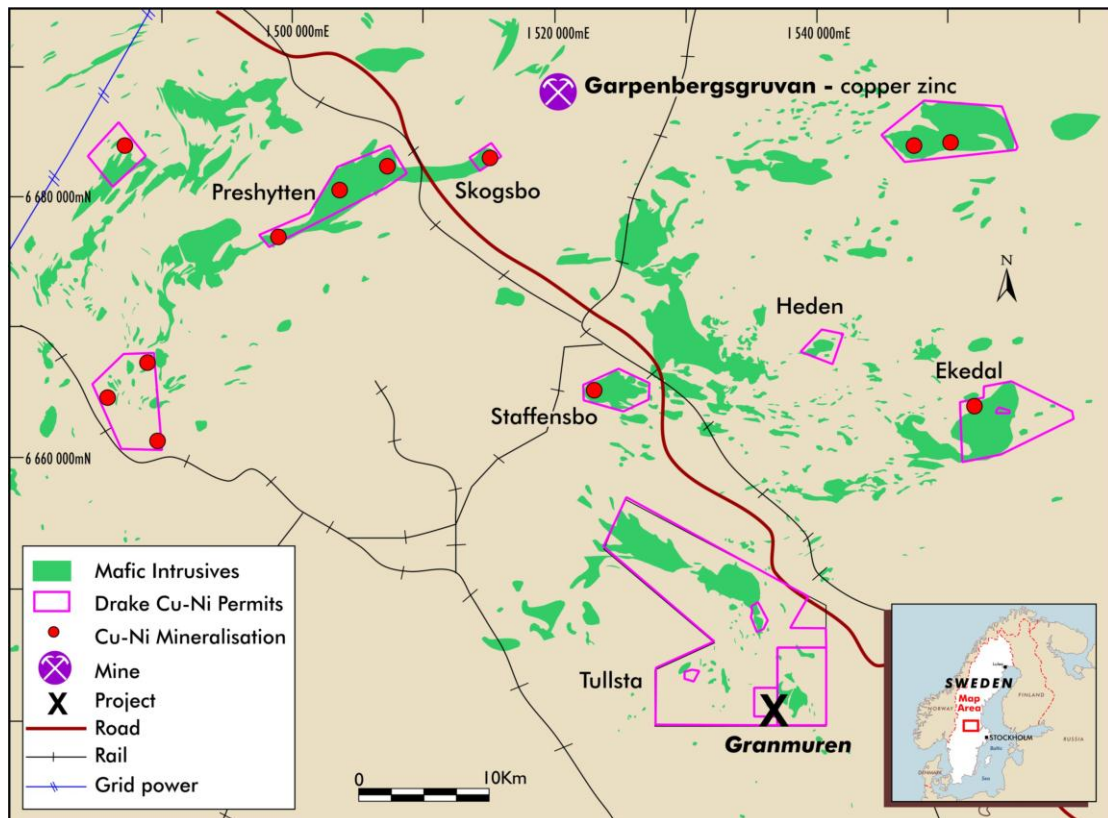


Fig. 4: Tullsta Project and Granmuren Prospect, Bergslagen District

The winter 2012 drilling campaign of 556 metres (five holes) at Granmuren confirmed near-surface mineralisation that is open along strike, with best intersections of:

- 16m @ 0.32% Ni, 0.50% Cu & 0.03% Co in 12DDTS001
- 11.6m @ 0.40% Ni, 0.51% Cu & 0.04% Co in 12DDTS003 within an overall intersection of:
97m @ 0.17% Ni & 0.17 Cu from near surface

Granmuren is part of the central Scandinavia nickel belt, which is mostly located in Finland (Figure 5), and had an original ore endowment of >60 Mt. This formed the basis of the famous Finnish specialised steel industry. Magmatic nickel mineralisation is hosted by gabbro-norites and peridotites interpreted to be part of a widespread Svecofennian synorogenic mafic-ultramafic intrusive event, emplaced close to the peak of the Svecofennian orogeny about 1.89 Ga ago.



Fig. 5: Position of Granmuren within the central Scandinavian Nickel Province

The mineralisation is massive to disseminated and blebby, comprising pyrrhotite-chalcopyrite and pentlandite (Figure 6).



Fig. 6: Typical mineralisation styles in core at Granmuren. Brassy-brown pyrrhotite associated with pentlandite and yellow-gold chalcopyrite. Field of vision 5-10cm.

Subsequently Drake collected ground gravity data which indicated the presence of a substantial body of dense material coincident with a magnetic source occurring below the current drilling.

This was interpreted to represent further massive to disseminated sulphide mineralisation (pyrrhotite-pentlandite-chalcopyrite) hosted by mafic intrusives.

Drake completed a down hole electromagnetic survey on the open drill holes to confirm this interpretation and identify conductors in this dense, magnetic body. Resulting anomalies may represent the presence of conductive metal sulphides.

Drake in Scandinavia

While Drake is focussed on exploring its suite of 100 per cent owned gold properties in West Africa, it has continued to operate four joint ventures in Scandinavia funded by its partners, Panoramic Resources Ltd and Royal Falcon Mining. Drake has taken advantage of its presence in Scandinavia to opportunistically acquire further quality assets. These include:

- Espedalen Nickel-Copper Project, Norway: 40,000 tonnes of nickel metal in compliant resources (refer to Drake's release to the ASX of 31 August, 2012 with regard to a waiver to use foreign resource statements)

- Bergslagen Nickel Project, Sweden, including Drake's Granmuren nickel-copper discovery (ASX release 12 April, 2012)
- Joma copper zinc mine, Norway, with remaining resources in the ground (ASX release 31 July, 2012).
- Nordic (Norway and Finland) gold portfolio.

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For further information, please contact:

Mr Jay Stephenson

Company Secretary, Drake Resources
+61 (0)8 6141 3585
info@drakeresources.com.au

Ms Barbara Pesel

Media & Investor, Pesel & Carr
+61 (0)3 9036 6900
barbara.pesel@peselandcarr.com.au

Competent Persons Statement

Dr Robert Beeson accepts responsibility for the accuracy of the statements of exploration results and foreign resource estimates currently not reported in accordance with the JORC Code, reported in this announcement based on previously prepared reports and the accuracy of the information disclosed in this announcement to address the Requirements for Non-JORC Code Compliant Historical and Foreign Reporting in the Joint Statement of ASX and JORC reported in the ASX Companies Update No: 11/07 dated 5 December 2007.

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 is a director of Drake and consents to the inclusion in the Announcement 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.