



ASX Announcement
15 October, 2012

First ever drilling confirms gold mineralisation at Hendrix Prospect, Mauritania

- **Hendrix Shear Zone drilling confirms presence of gold mineralisation**
- **Broad widths of low grade gold mineralisation**
- **Only four drill holes to date in prospect 13km in length & up to 500m in width**
- **Hole 092 intersected continuous gold mineralisation**
 - **72m at 0.16 g/t Au, including 8m at 0.42 g/t Au, 2m at 1 g/t Au, 1m at 1.25 g/t Au, & 1m at 1 g/t Au**
- **Second prospect 11km north quartz vein intersection of 3.8 g/t Au & 66 g/t Ag**
- **Validates strategy - building valuable gold projects**
- **Next steps: RC drilling along length & northwest of Hendrix anomaly**

***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.*

Drilling at **Drake Resources' (ASX: DRK, Drake)** wholly owned Hendrix Shear project in northern Mauritania has identified broad zones of low grade gold mineralisation.

The Hendrix Prospect lies near the southern end of Drake's permits in the region. Historical exploration was taken out by Shield Mining and Ashton Mining Limited, who carried out soil sampling on broadly spaced lines and trenching on the prospect's mylonites.

Previous explorers located anomalous gold and copper in soils and scattered gold values greater than 1.0 g/t Au associated with a suite of silicified mylonite zones. Individual mylonite outcrops are typically one to three metres wide and several such zones occur in parallel over a width of several hundred metres. Despite obtaining strong anomalies, no drilling was carried out prior to Drake's involvement, with exploration permits initially applied for in April 2010.

Drake commenced field work at the Hendrix Prospect in October 2011 which focussed on the southern section of the Hendrix Shear Zone.

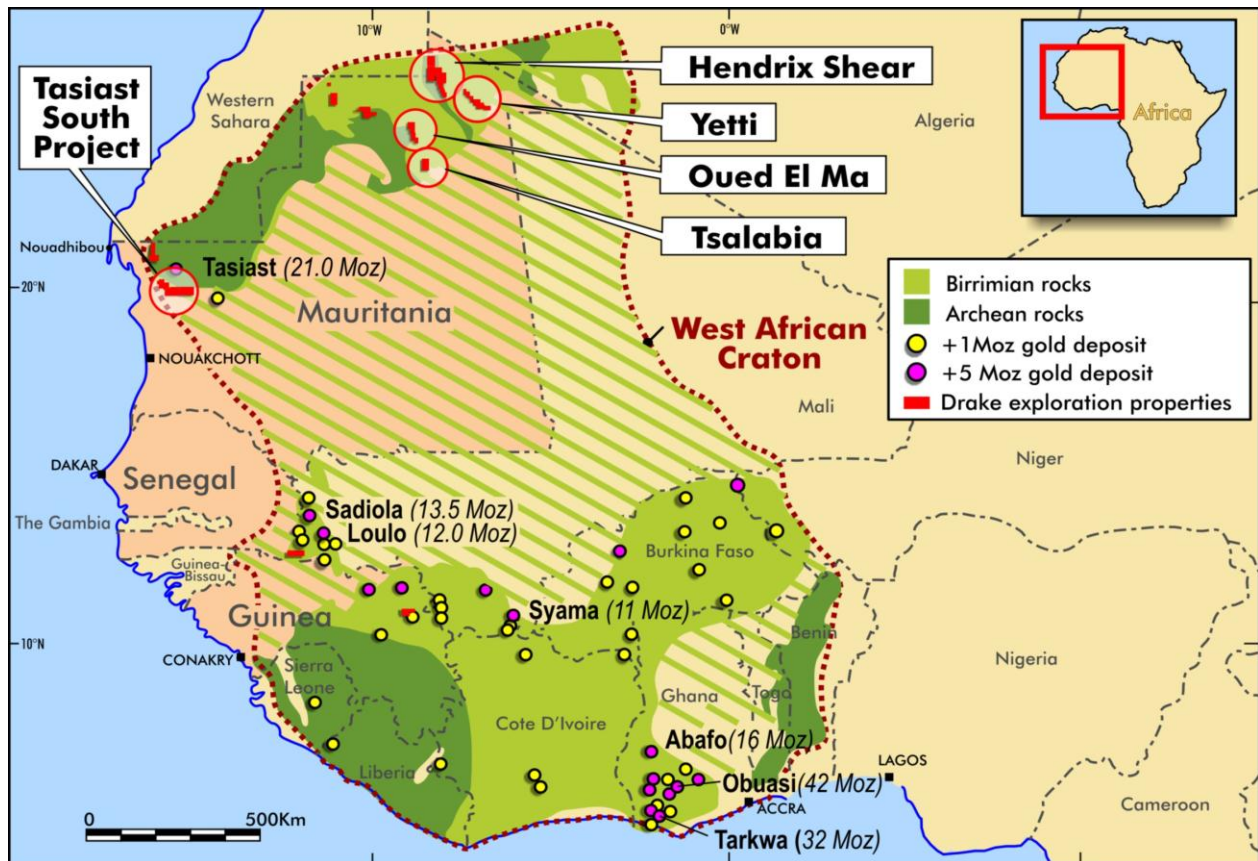


Fig. 1: Location of Drake's Projects in Mauritania

This work included reconnaissance mapping and sampling of veining and mylonite zones in one-kilometre-spaced traverses, highlighting a number of high priority targets which were followed up with a program of reverse circulation.

Four reverse circulation holes were drilled with the southernmost hole intersecting a broad zone of continuous gold mineralisation of 72 metres containing 0.16 g/t Au, including eight metres at 0.42 g/t Au, two metres at 1.0 g/t Au, one metre at 1.25 g/t Au and one metre at 1.0 g/t Au.

Managing Director of Drake, Dr Bob Beeson said, “Drake has now confirmed the presence of broad zones of gold mineralisation at Hendrix. However, we have drilled only a small number of holes into this large target area.

“The next phase of drilling requires systematic testing the target area,” said Dr Beeson.

The Hendrix Prospect is only 13 kilometres length of the major shear zone that Drake holds in this region of Mauritania. The total strike extent of the mineralised mylonite zones within the Drake permits is 140 km length. Drake has only tested a small portion of this large strike length with drilling.

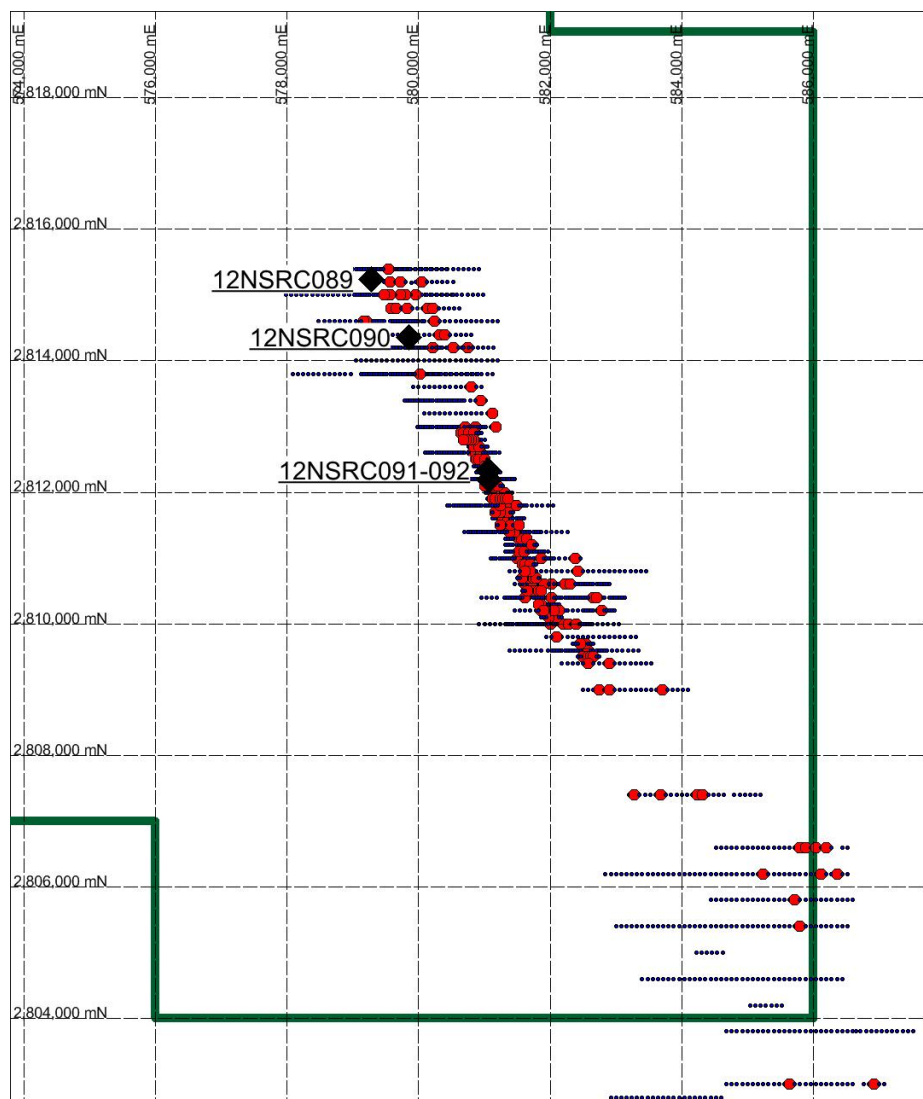


Fig. 2: Intersections from reverse circulation drilling at Hendrix Prospect

Other Gold Prospects

The reconnaissance rock sampling programme on 1 km spaced traverses over the entire Hendrix permit holding returned many anomalous values over the entire length of the permits. Each of these was inspected and on those appearing to have size potential RC testing was carried out, usually one hole, but occasionally two into each occurrence.

An example of these targets is that drill tested by hole 12NSRC088, drilled 11 kilometres northwest of the Hendrix Prospect.

A surface sample in quartz veining established during the major surface reconnaissance programme gave a value of 6.7 g/t Au. A single drill hole to test this intersected a broad zone of quartz veining 40 metres in width, with maximum values over one metre of 3.8 g/t Au and 66 g/t Ag.

Next steps

Drake plans to carry out an RC drilling programme along the length of the geochemical anomaly at the Hendrix Prospect, as well as further RC drilling around hole 12NSRC088, northwest of the prospect.

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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.