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**ASX Announcement**  
18 November 2013

## **Independent Assessment of Granmuren**

- **Independent review identifies that the Region has potential to be a world-class Nickel camp**
  - **Drake has a dominant land position in this camp**
  - **Numerous high priority targets for further Granmuren style nickel/copper mineralisation**
  - **Five high priority and nine medium priority targets identified**
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Drake Resources recently engaged Mineralium Pty Ltd to conduct a regional target review of the Company's Bergslagen asset portfolio which contains Drake's greenfield Granmuren nickel/ /copper sulphide discovery.

Key findings of the report include –

- The inferred age of Granmuren mineralisation is within an episode of Earth's history in which many of the world's major nickel camps were formed (1.88 – 1.86 Ga)
- Many of Drake's permits are near, and occasionally on, local deep structures/terrane boundaries such as the Gävle-Rättvik deformation zone; nickel deposits tend to be associated with large, crustal scale structures
- There are abundant sulphur-bearing rocks in the regional supracrustal sequence, providing the conditions in which nickel/copper sulphides could concentrate and precipitate to form massive sulphide.
- Combining the above with demonstrated presence of nickel /copper occurrences across Drake's portfolio, all point to the area having the potential to contain a world class nickel camp.

The Report's Author, Dr Ben Grguric of Mineralium has extensive experience and impressive track record in the identification of magmatic hosted base metal sulphide targets. Dr Grguric has worked in nickel since 1998 for companies, including WMC, BHP and Norilsk, and is the author/co-author of 19 papers concerned with nickel deposit geology and mineralogy.

Drake's CEO, Jason Stirbinskis said "Mineralium's very encouraging review has confirmed that Drake has a dominant land position in a potential world class nickel camp. This has provided further incentive to pursue regional opportunities and helped us to clarify our next steps in the region".

Drake recently completed modelling of the Granmuren deposit based on diamond drilling results and geophysics data. The model is not of sufficient robustness to reveal potential tonnages however it provides an indication of the potential for Granmuren to be a significant source of mineralisation. Mr Stirbinskis added “Granmuren remains an exciting target with potential to continue to deliver strong drilling results. However, the Company believes finding local repeats of Granmuren and hopefully demonstrating our Bergslagen assets to be a world class nickel camp is a wise strategy at this stage and in this market”.

Next steps at Granmuren will likely include VTEM assessment of high priority targets identified in the report.

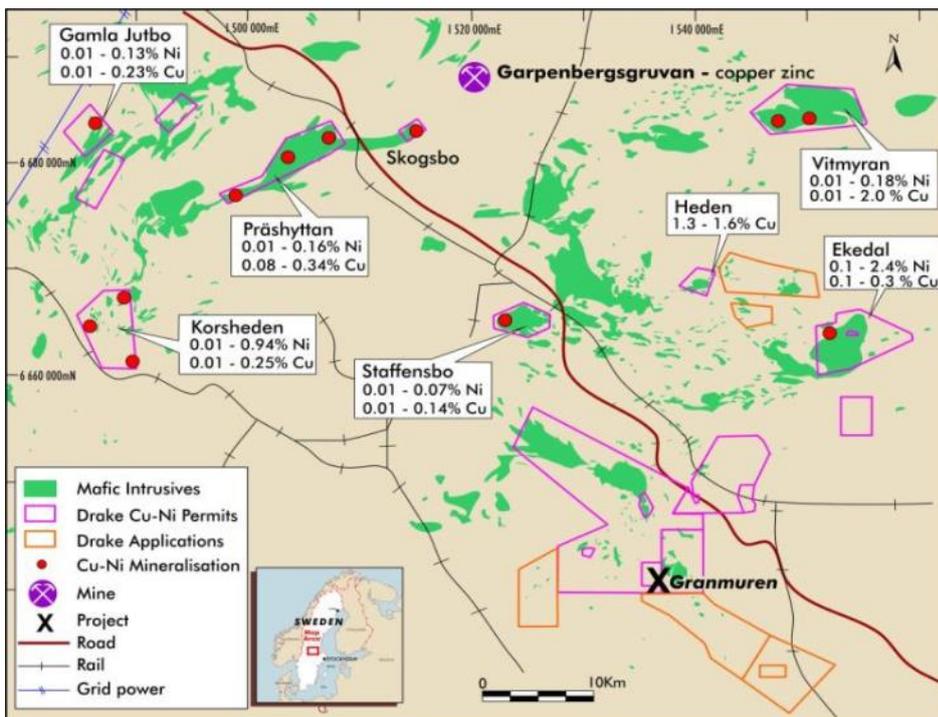


Figure One: Drake’s Southern Bergslagen permits includes Granmuren. Drake holds several additional permits within Bergslagen but outside the map area.

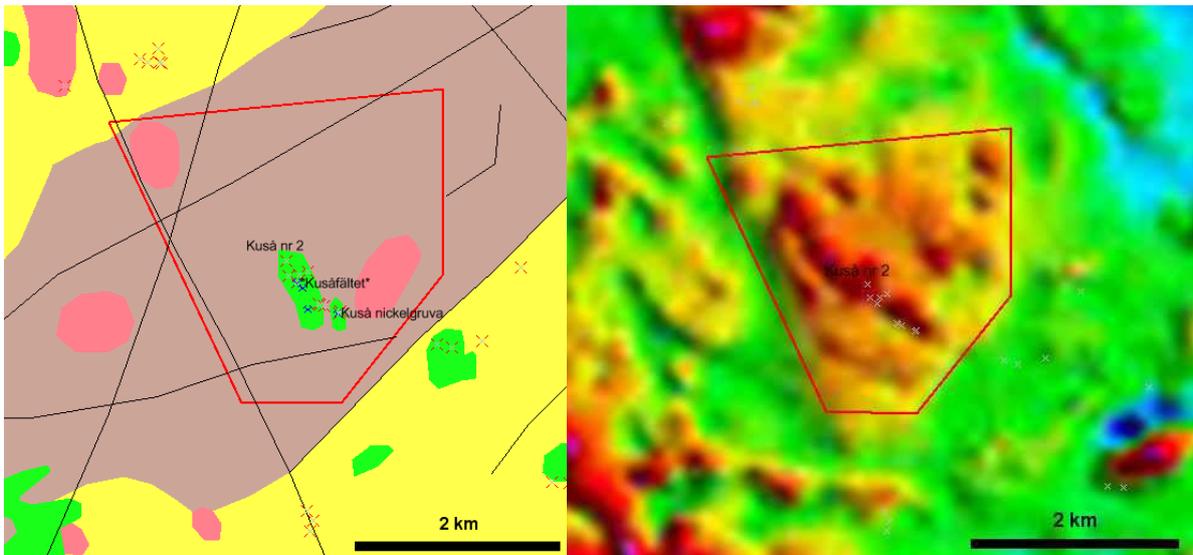


Figure Two: Drake's Kuså nr. 2 permit is one of five priority targets identified in the report. In this case the entire permit area is considered a target for additional mineralisation with a magnetic feature taking up most of the permit and a large NNW trending structure on its western margin. The permit is 25km from the Gävle-Rättvik deformation zone.

### About Granmuren

Granmuren is Drake's greenfield nickel, copper, cobalt discovery in the heart of the Bergslagen district of Sweden which has a very long and significant mining history. The area has excellent infrastructure with rail, road and power nearby.

Granmuren is 'Voisey's Bay style mineralisation', a substantial intrusion of massive and disseminated sulphides, mainly pyrrhotite, pentlandite and chalcopyrite hosted in gabbros and norites. Mineralisation occurs from near surface, has been tracked down to about 330m, and remains open at depth. Mineralised zones tend to occur as long intersections of lower grade material including 63.5m @ 0.30% Ni and 0.51% copper. However, high grade material is occasionally encountered such as 4.5m @ 0.81% nickel and 0.70% copper (fig3).

Scandinavia and the adjoining Karelia Province in north-west Russia is one of the major nickel-copper provinces of the world. It includes the giant Pechenga deposit in Karelia, Anglo-American's recent Sakatti discovery and First Quantum's Kevitsa Project, both in Finland (Figure 3). Granmuren is an extension of the Svecofinnian province which has played a long and significant part of Finland's smelting and refining success. Scandinavian operations are both open pit and underground with typical grades of 0.25% to 1.0% nickel.

The Scandinavian countries are exceptional locations for the development of new mineral discoveries. Sweden, Finland and Norway always rank in the top handful of countries for mining investment. Sweden, in particular, has the advantages of excellent infrastructure, trained workforce, supportive legislation and low taxation rates

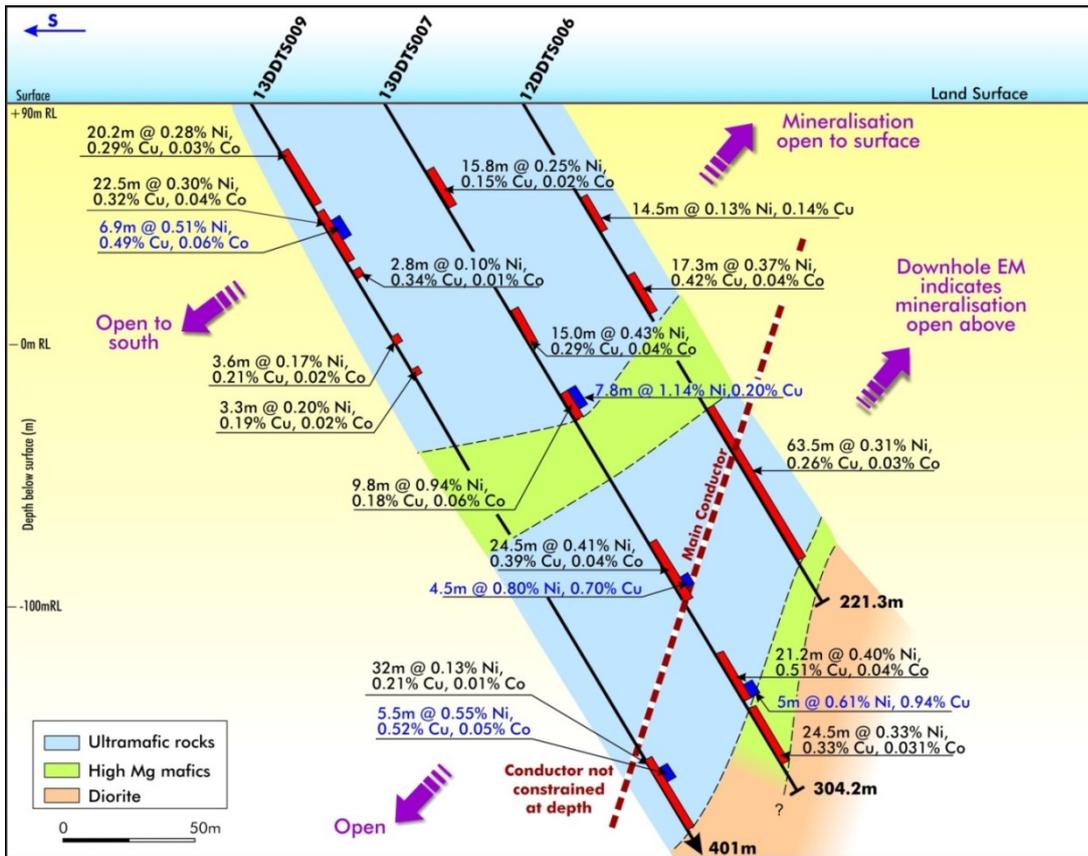


Fig 3. Granmuren. Previously announced section through Holes TS006, TS007 and TS009 with intersections >0.1%Ni and logged geology



Figure 4: Nickel projects and operations in Scandinavia (source published company documents and analysts reports).

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**Competent Persons Statement**

*Dr Bob 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 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 Mining and Metallurgy.*

**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*