



ASX Announcement
25 March 2013

Granmuren Preliminary Metallurgical Results

- Results confirm nickel & copper occur primarily in pentlandite & chalcopyrite
- New assays confirm presence of additional precious metals
- Nickel concentrate grades of up to 13.3% nickel obtained from preliminary testwork
- Next phase of testing to investigate improvements to concentrate grade & recovery

Drake Resources has completed a small programme of very early stage mineralogical and metallurgical tests on a 5.4 kilogram sample of Granmuren drill core from Hole 6.

Key findings from the mineralogical programme include:

- Pentlandite, the most common form of nickel sulphide economically treated to produce a concentrate was the only nickel mineral observed;
- Copper was mainly present as chalcopyrite, a common copper sulphide in conventional concentrate production;
- Talc and serpentine group minerals were not observed. Both mineral groups can be problematic for conventional concentrate production; and
- The major iron sulphide present was pyrrhotite, a typically easier mineral to accommodate during flotation compared to pyrite.

Selected drill core pulps from Hole 7 which recorded greater than 0.1 per cent were assayed for precious metals, with the following results:

- Precious metals were detected in 119 cumulative metres of the 304 metre hole (table 1);
- Maximum results include:
 - 0.5m @ 0.2g/t gold from 284m;
 - 0.5m @ 0.46g/t platinum from 275m;
 - 0.6m @ 0.075g/t palladium from 166m; and
 - 0.3m @ 6.3g/t silver from 247.35m.

- Noted that grades generally increased with depth corresponding to the pattern observed in nickel results announced in February.

Key observations from the preliminary metallurgical program on the 5.4 kilogram sample from Hole 6 include:

- Nickel concentrate grade of up to 13.3% with 48% nickel recovery achieved in non-magnetic fraction;
- Nickel concentrate grade of 6.6% with 62% nickel recovery in combined cleaner concentrate, prior to magnetic separation;
- Copper concentrate grade of 13.3% with recovery of 87.2% copper in non-magnetic fraction of cleaner concentrates;
- Very low proportion of magnesium oxide reporting to flotation concentrates, representing only 1.6% of total rock magnesium oxide; and
- Flotation recovery of both nickel and copper not adversely affected by reduction of collector concentration to very low levels (25 g/t SEX).

The programme established a nickel concentrate with minimal harmful elements such as magnesium oxide. A significant amount of iron sulphide (pyrrhotite) also floated, diluting the nickel grades of the concentrate and showing significant potential for further grade increase through fine tuning of pyrrhotite float behaviour and value mineral liberation.

Drake's CEO, Jason Stirbinskis commented, "It is very early days in our metallurgical investigations but it is encouraging to see that the process using the least amount of costly reagents produced a better concentrate, which could bode well for commercial scale operations.

These preliminary recoveries are most likely a function of grind sizes. Our next testing phase will explore the impact of a finer grind and other options with the aim to build both recovery and grade."

The response of copper to concentration by flotation was very promising with a concentrate grade of 13.3 per cent copper and recovery of 87.2 per cent achieved in the non-magnetic fraction. Tests have not been conducted on cobalt and precious metal components at this early stage.

Drake recently completed a private placement of 9,165,588 shares and the funds will be used to commission an immediate drill programme at its Granmuren nickel project and explore for depth and lateral extent.

Hole	East (RT90)	North (RT90)	Dip	Azimuth	From (m)	To (m)	Width (m)	Cu (%)	Ni (%)	Co (%)	Co (ppm)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	Au + Pt + Pd		
13DDTS007	1537160	6641570	-60	360	18.0	22.0	4.0	0.22	0.16	0.024	242		0.003	0.011		0.014		
					31.3	45.0	13.8	0.17	0.28	0.021	206	0.014	0.005	0.037	0.196	0.057		
					92.0	107.0	15.0	0.29	0.43	0.044	444	0.004	0.004	0.005	0.240	0.013		
					Includes		96.0	107.0	11.1	0.36	0.55	0.056	559.0	0.001	0.004	0.003	0.235	0.008
					129.2	139.0	9.8	0.18	0.94	0.040	400.0	0.015	0.004	0.003		0.021		
					Includes		129.2	137.0	7.8	0.20	1.14	0.047	466.0	0.017	0.005	0.003	0.024	
					162.5	168.5	6.0	0.18	0.21	0.021	210.0		0.016	0.007	0.200	0.022		
					183.0	184.0	1.0	0.13	0.55	0.049	485.0		0.002	0.002		0.004		
					195.5	220.0	24.5	0.39	0.41	0.044	435.0	0.005	0.009	0.005	0.928	0.019		
					Includes		206.0	219.0	13.0	0.56	0.60	0.061	608.0	0.005	0.012	0.007	1.183	0.023
					Includes		212.5	217.5	5.0	0.82	0.81	0.080	802.0	0.003	0.013	0.006	1.617	0.022
					243.8	265.0	21.2	0.51	0.40	0.040	404.0	0.011	0.011	0.009	1.058	0.031		
					Includes		251.0	252.0	1.0	0.50	1.06	0.098	980.0	0.007	0.007	0.006	0.020	
					And		259.5	264.5	5.0	0.94	0.61	0.057	574.0	0.022	0.016	0.005	1.752	0.043
					266.5	291.0	24.5	0.33	0.33	0.031	313.0	0.019	0.007	0.025	0.855	0.051		
					Includes		275.0	278.5	3.5	0.55	0.60	0.055	552.0	0.077	0.011	0.029	1.286	0.116

Table 1: Precious metal assays for Drill Hole # 007. Assay results for Copper, Nickel and Cobalt were announced in February 2013. Platinum (0.005-10ppm detection limit), palladium (0.001-10ppm detection limit) and gold (0.001-10ppm detection limit) were determined by standard lead oxide collection fire assay (30g nominal sample weight) and ICP-AES finish (ALS Chemex method PGM-ICP23).

Nickel in Scandinavia

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 1).

Scandinavian operations are both open pit and underground with typical grades of 0.25% to 1.0% nickel with current mining operations at Pechenga, Kevitsa and Hitura (23 million tonnes at 0.2-0.7% 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 1: Nickel projects and operations in Scandinavia (source published company documents and analysts reports)

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Competent Persons Statement

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.

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

About Drake Resources Limited

Drake Resources (DRK) is an Australian gold and base metals explorer with advanced and highly prospective projects in resource-rich Scandinavia and West Africa. Projects in Scandinavia focus on nickel and copper and include nickel deposits 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, or realising their value at optimal times through merger and acquisition programs.

Company Assets

Sweden

Granmuren - Nickel
Bergslagen JV - Copper
Orsen - Copper/Magnetite
Lainejaur - Copper

Finland

Kittila - Gold
Vihanti - Copper

Norway

Espedalen - Nickel
Joma – Copper-Zinc
Løkken JV – Copper
Nordgruva JV - Copper
Sulitjelma JV - Copper
Kautokeino - Gold
Karasjok - Gold

West Africa

Tasiast South - Gold
Hendrix - Gold
Samekouta - Gold
Seimana - Gold
Australia
Mt Palmer – Gold
Mallee Hen - Gold