



## **NEW EXPLORATION LICENCES GRANTED**

### **26 July 2005**

- **Increase holding in Drake Volcanics by 250%**
- **Prospective for Gold, Silver, Molybdenum-Copper**

Drake Resources Ltd (ASX Code – DRK) listed on the Australian Stock Exchange on 31 March, 2005. Drake has commenced its exploration programme at the Mt Carrington gold-silver project in New South Wales in April. This work is ongoing, but has already defined new drill targets for future testing.

The Mt Carrington Project which has received no exploration for the past decade contains JORC-compliant inferred resources of:

<b>Tonnes</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Au (Oz)</b>	<b>Ag (Oz)</b>
1,790,073	2.50	81	145,782	4,642,456

Drake confirms it has been granted exploration licences 2522 and 2523 which cover approximately 500 square kilometres of land increasing its holding to over 700 square kilometers. The new exploration licences now cover the majority of the prospective Drake Volcanics. The land is located between 10 and 30 kms north and south of the Drake townsite.

The new exploration licences contain the western and parts of the northern margin of the “Drake Quiet Zone”, an area of relatively flat magnetic relief thought to be important by previous explorers in localising mineralisation. “The Quiet Zone has been interpreted to reflect the presence of a large mass of magma at depth, from which the intrusions associated with mineralisation may have originated,” said Dr. Robert Beeson, Managing Director. “The margins of this zone are considered particularly favourable for mineralisation as this position focuses magma and fluid movement.”

The gold-silver resources at Mt Carrington are contained within very extensive alteration systems in the volcanic rocks. The New South Wales Geological Survey published geological and alteration mapping for part of the new applications in 2001. This mapped portion contain three further alteration zones of similar size to that at Mt Carrington; additional alteration zones are suggested by the geophysics north and south of the Geological Survey mapping.

One of the three mapped zones contains the Nobles Creek Mine in an area explored previously by Mt Carrington Mines and CRA Exploration. Drill hole RC 91NC2 intersected 24m @ 0.79 g/t gold from 0m, including 2m @ 5 g/t gold from 6m. Four of the total of eight holes drilled at the prospect gave gold values in excess of 1.5 g/t over intersections of 3 metres or more down hole.

New interpretation of the geophysical data available for the project has defined a very strong, elongate target not previously tested by explorers in the northern of the two licenses. This target is beneath thin cover rocks, and may represent a zone of mineralisation and alteration not detectable from the surface. This geological position at the unconformity between underlying volcanics and overlying sediments is considered favourable for sulphide mineralisation.

The area is also prospective for molybdenum-copper mineralisation. The Geological Survey of New South Wales reports trenches and shafts from previous small scale molybdenum mining at the Morgan's Creek Mine; one sample of molybdenite-bearing granite has been reported as containing 1.35% Mo.

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Information in this report pertaining to mineral resources and exploration was compiled by Dr Bob Beeson with not less than five years experience in the relevant fields, and who consents to the report appearing in the form and context in which it appears