

27 October 2010

Drake expands Mauritania gold land holdings

Drake Resources (ASX code: DRK) has applied for six new permits covering 5,500 km² in a highly prospective West African gold province.

Combined with previously granted exploration permits, Drake now holds an exploration package in excess of 8,700 km² in Mauritania.

Drake's new applications cover the Archaean - Lower Proterozoic Reguibat Shield, the same geological package which hosts Kinross Gold's 10 million ounce plus Tasiast gold deposit.

Drake has commenced exploration operations on granted permits covering the Reguibat Craton in northern Mauritania.

Drake Managing Director Dr Bob Beeson said the six new permits were applied for on the basis of interpretation of historical aeromagnetic data released by the Government of Mauritania.

"The data show structural and stratigraphic targets analogous to the world class Tasiast deposit," Dr Beeson said. "We consider the potential for additional gold deposits in this region to be high."

"We are currently reprocessing and reinterpreting the data to identify targets for ground follow up once the permits are granted. This month Drake's field crews are starting reconnaissance mapping, rock chip and soil sampling to define targets for drilling on our granted permits."

One permit application in the east of the country, Nsour Sud Ouest, covers part of a major shear zone with anomalous gold over several kilometres. Past explorers have defined a zone five kilometres in length from soil sampling, which is open to both north and south.

Drake Resources' project team includes local and expatriate professionals with strong local knowledge and operational experience in Mauritania and West Africa.

As one of the first companies to realise the exploration potential in Mauritania and to secure a substantial landholding in the province, Drake is well positioned to participate in future discoveries.

Mauritania has a long history of mining, a favourable and well administered Mining Act, and a government supportive of foreign investment. Until recently, Mauritania has seen little systematic gold exploration compared to other countries in the region.

Drake Resources' management team has an exceptional track record of gold exploration success, and includes key members of the team that built the AcaciaResources/AngloGold portfolio in Australia.

Drake Managing Director Dr Bob Beeson will be presenting at the Mining 2010 Conference in Brisbane this week, and inaugural Mauritanide Conference being held in Nouakchott in early November.

-ENDS-

For further information, please contact:

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Corporate Information

Directors

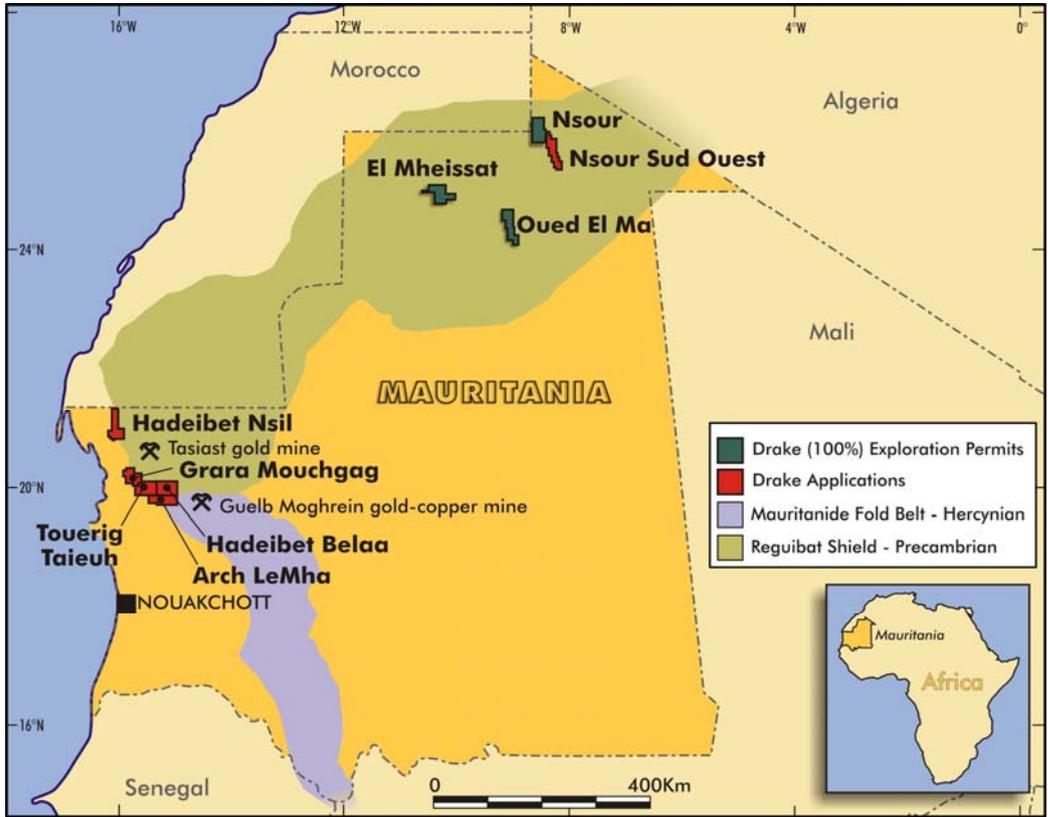
B Fraser	Non-Executive Chairman
Dr R Beeson	Managing Director
J Stephenson	Non- Executive Director & Company Secretary

Issued Capital

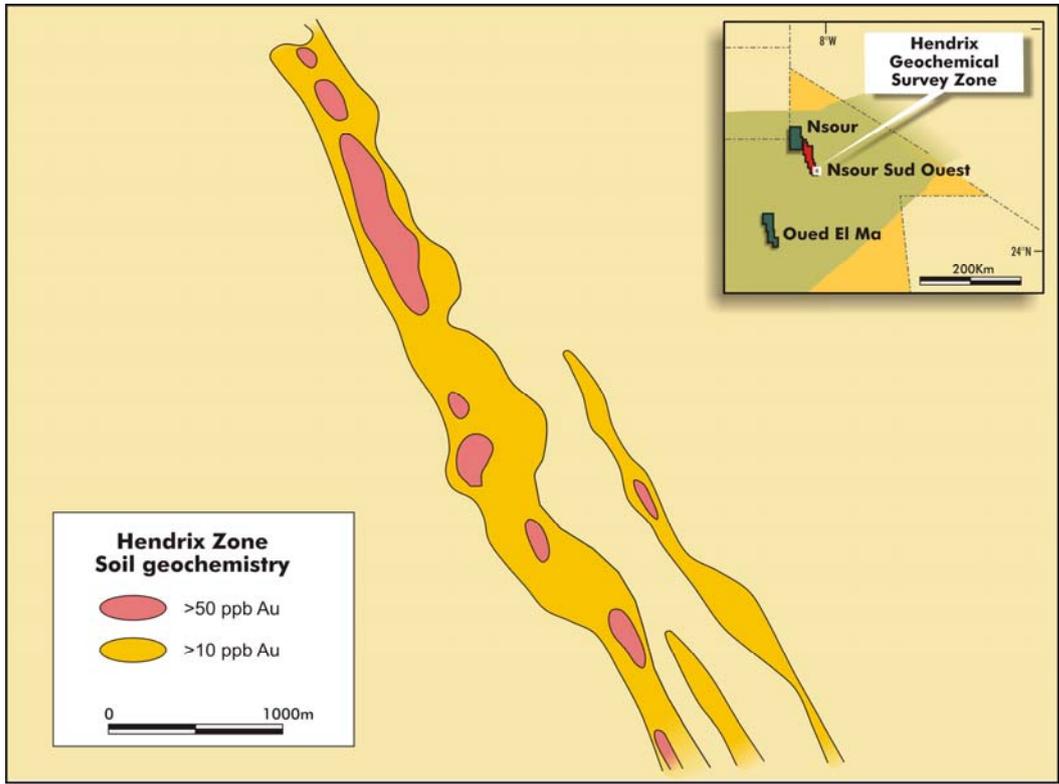
As at the date of this report the issued capital of the Company is comprised of:

52,729,231 fully paid ordinary shares

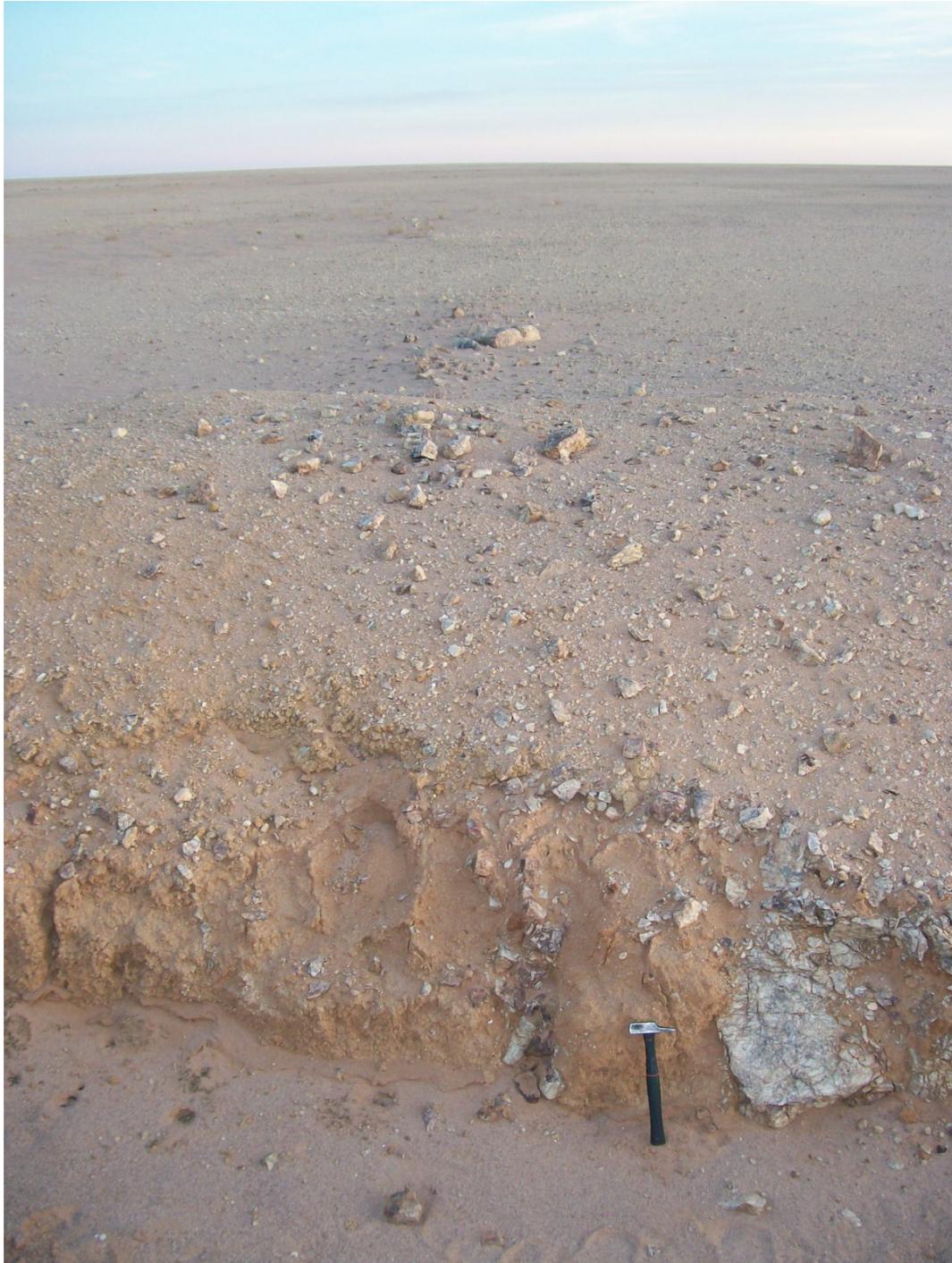
The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. Dr Robert Beeson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 consents to the inclusion in the report 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.



Location of Drake Resources' gold permits and applications in Mauritania



Hendrix Zone gold anomaly, Nsour Sud Ouest application



Gold-bearing quartz veins in the Nsour permit, Mauritania