ASX Announcement
28 August 2012

First RC drilling defines broad gold zones at Tasiast South, Mauritania

- **Broad zones of gold identified by RC drilling at Drake's newly defined Ghassariat Prospect**
  - **50km from 20 Moz Tasiast gold mine & processing facilities**
- **Mineralisation analogous to Tasiast ore zones & near-ore alteration zones**
- **10km^2 Ghassariat Prospect targeted for further RC drilling**
- **Additional gold anomalous zones for further testing within the 95km of greenstone belt**

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 copper. They include a premier position in the historic Falun Mine in Sweden and joint venture projects in Norway and Finland. 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.*

Drake Resources Limited (ASX: DRK, Drake) announced today it has intersected broad zones of gold mineralisation at its 100 per cent owned Tasiast South Project in Mauritania, West Africa.

A key target of the reverse circulation (RC) drilling programme was a 10 square kilometre mineralised zone defined by air-core drilling; now called the Ghassariat Prospect. The Ghassariat Prospect is located along strike from the 20 million ounce Tasiast Gold Mine and processing facility on the Aouéouat Greenstone Belt (Figure 1).

Three thick zones of sulphide alteration and low grade mineralisation were identified. Five of the 13 RC holes drilled in the prospect intersected these zones; two of the zones remain open and are a minimum of 50 metres in width.

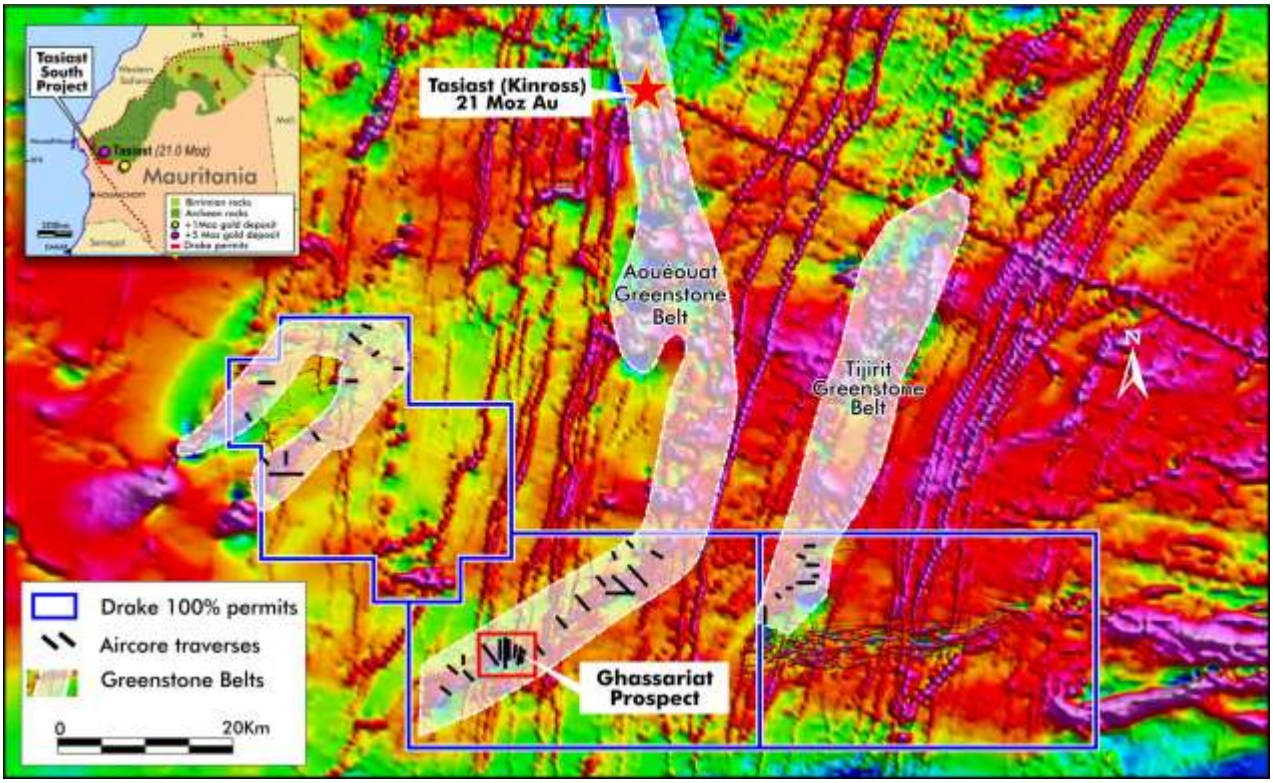

Figure 1: Aircore traverses in Ghassariat Prospect

The Ghassariat Prospect results are analogous to the ore zones and near-ore alteration zones at the neighbouring Kinross Tasiast Mine.

Ghassariat intersections include:

- 71m @ 0.3 g/t Au including 5m @ 1.2 g/t Au, 3m @ 1.0 g/t Au & 11m @ 0.5 g/t Au in hole TGRC022
- 38m @ 0.4 g/t Au including 1m @ 6.1 g/t Au & 6m @ 0.7 g/t Au in hole TGRC007

The Tasiast Mine uses a lower cut-off of 0.1 gram per tonne of gold for dump leach material and 0.25 gram per tonne for heap leach. The Drake intersections quoted above have grades above these thresholds. Full RC drilling results are found in Table 1.

Kinross Tasiast Mineral Reserve and Resource Summary Comparison

Kinross' major Tasiast deposit contains 20 million ounces of gold in reserves and resources of high tonnage, low grade ore and is the result of an intense drilling programme of some 1.2 million metres, culminating in the mid-2011 resource upgrade.

Tasiast as at December 31, 2011

Gold	Tonnes (X 1,000)	**Grade (g/t)**	Ounces (X 1,000)
Proven and Probable Reserves	128,883	**1.80g/t**	7,457
Measured and Indicated Resources(a)	403,216	**0.86g/t**	11,105
Inferred Resources	78,217	**0.74g/t**	1,860

Source: Kinross Official Website – www.kinross.com

Reverse Circulation (RC) Drilling Programme Results

Hole ID	East (WGS84)	North (WGS84)	Dip	Azimuth	Total Depth (m)	From (m)	To (m)	Width (m)	Au (g/t)	Alteration
12TGRC007	431002	2212052	-60	000	195	95	133	38	0.36	Within 81m zone of sulphide (py>>po) alteration
including						95	96	1	6.10	
including						123	134	11	0.47	Widespread quartz veining and silica alteration
12TGRC022	432512	2212138	-60	000	160	64	135	71	0.29	Within 100m zone of sulphide (py>>po) alteration
including						67	72	5	0.67	
including						78	86	8	0.79	
including						79	82	3	1.82	
including						97	110	13	0.45	
including						103	108	5	0.80	

Table 1

In May 2012, Drake completed a 42-hole RC drilling programme prior to the onset of the hot unworkable summer season. The RC holes were drilled to test encouraging geochemical results in basement samples from the air core drilling.

Given the necessarily broad spacing between holes, both in the original air core drilling and in the follow-up RC drilling programme, the aim was to locate alteration zones associated with mineralisation, as at Tasiast. Twenty-three of the 42 holes were drilled into the Tasiast Greenstone Belt within the Drake permits, including 13 holes into the 10 square kilometre Ghassariat Prospect (Fig. 2).

This work was successful in identifying three zones of thick alteration and low-grade gold mineralisation within the Ghassariat zone. Five of the 13 holes drilled intersected these zones. Two of the zones are 50 metres in width, and remain open in one direction.

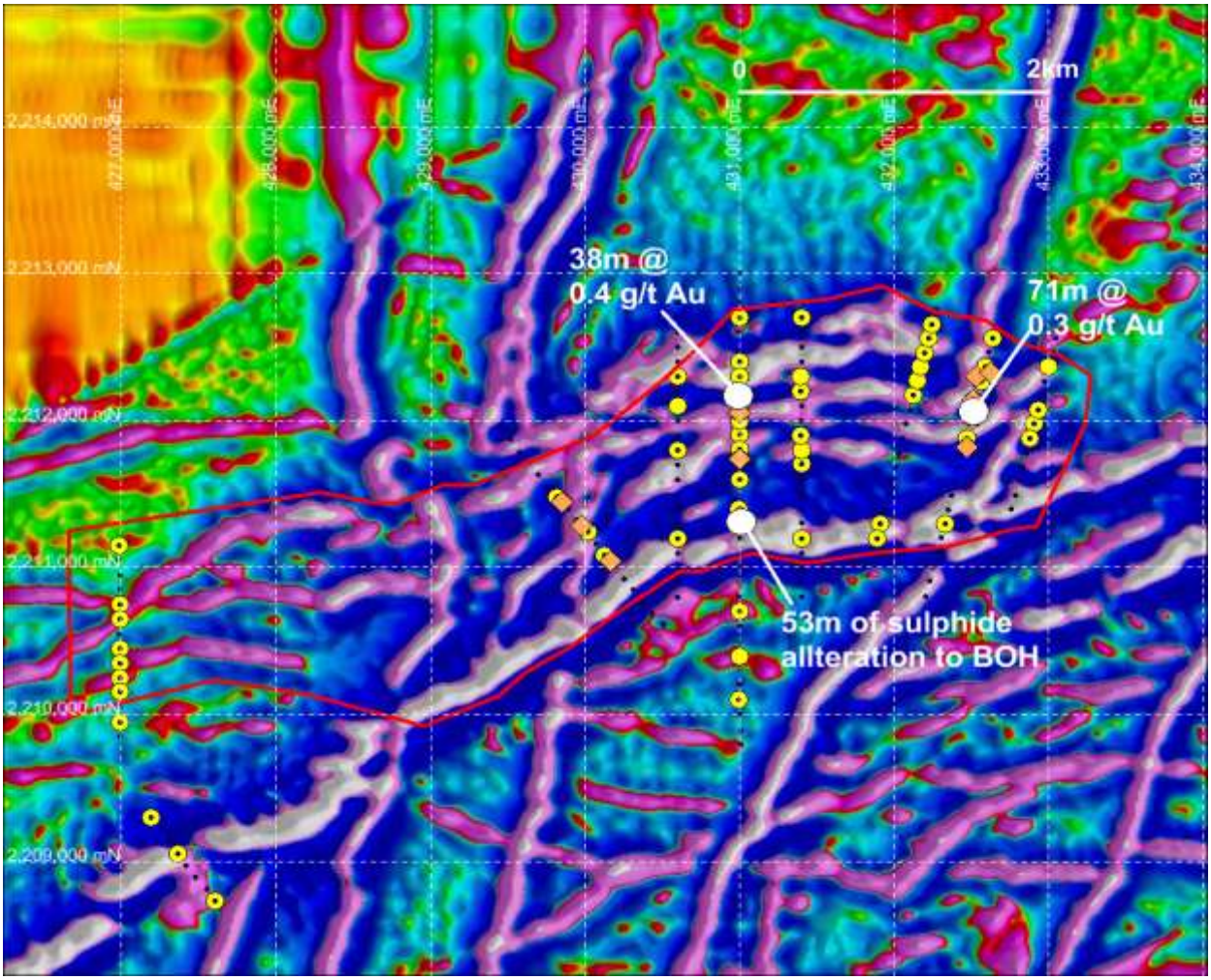

Figure 2: Zones of gold-mineralised sulphide alteration at Drake's Ghassariat Prospect; orange diamonds: RC holes, yellow circles: air core gold >0.02 g/t Au; white circles: areas of sulphide alteration; grid squares 1.0 km; image: first vertical derivative of airborne magnetic; red outline: Ghassariat Prospect

Geology and Exploration Programme Overview

Drake's permits at Tasiast South are covered by shallow transported sediments, and no outcrop can be seen at surface. Drake is the first company to explore this area for gold, employing a systematic approach to identify zones which have potential to contain gold.

A detailed airborne geophysical survey was flown in 2011, which confirmed that the north-south trending Archaean age Aouéouat greenstone belt (also termed Tasiast greenstone belt), host to the Tasiast Deposits, and the adjacent Tijirit greenstone belt being explored by Gryphon Mining, extend south into the Drake permits. Almost 100 kilometres of Archaean greenstone are interpreted to underlie Drake's permits.

A reconnaissance air core drilling program was completed on geophysical targets interpreted to have potential to host gold mineralisation. Drill holes were spaced at 100 metre intervals on traverses a nominal two kilometres apart with the aim of defining zones of anomalous gold below the transported cover.

The air core programme, completed in two campaigns, totalled approximately 20,000 metres. This work identified spatially extensive areas of anomalous gold in the basement below the transported cover. The largest area, in the southwest sector of the Tasiast Greenstone Belt, is approximately eight kilometres in length, and covers approximately 10 square kilometres. It has now been named the Ghassariat Prospect (Fig. 3).

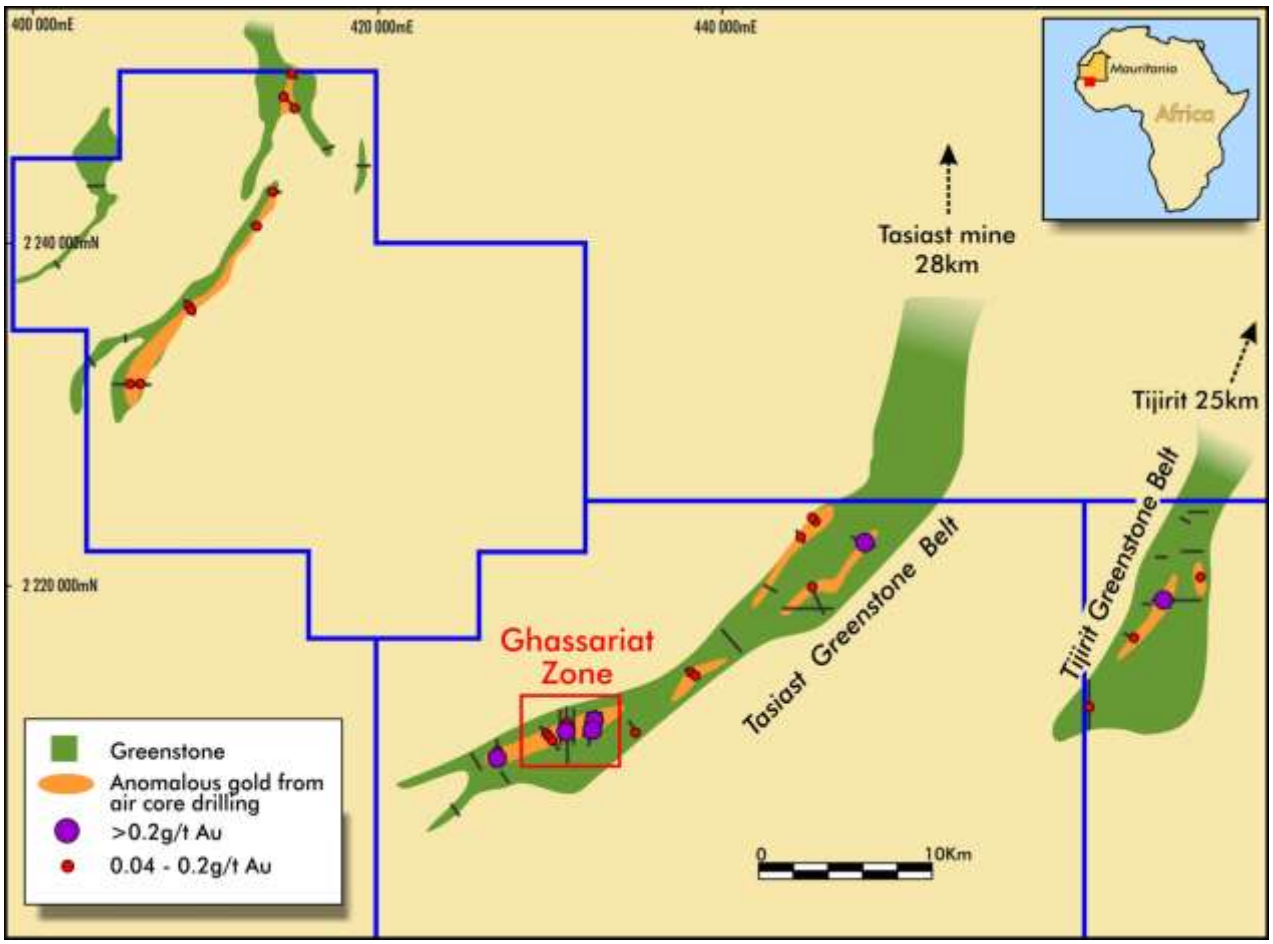

Fig. 3: Anomalous gold in air core traverses showing the Ghassariat Prospect

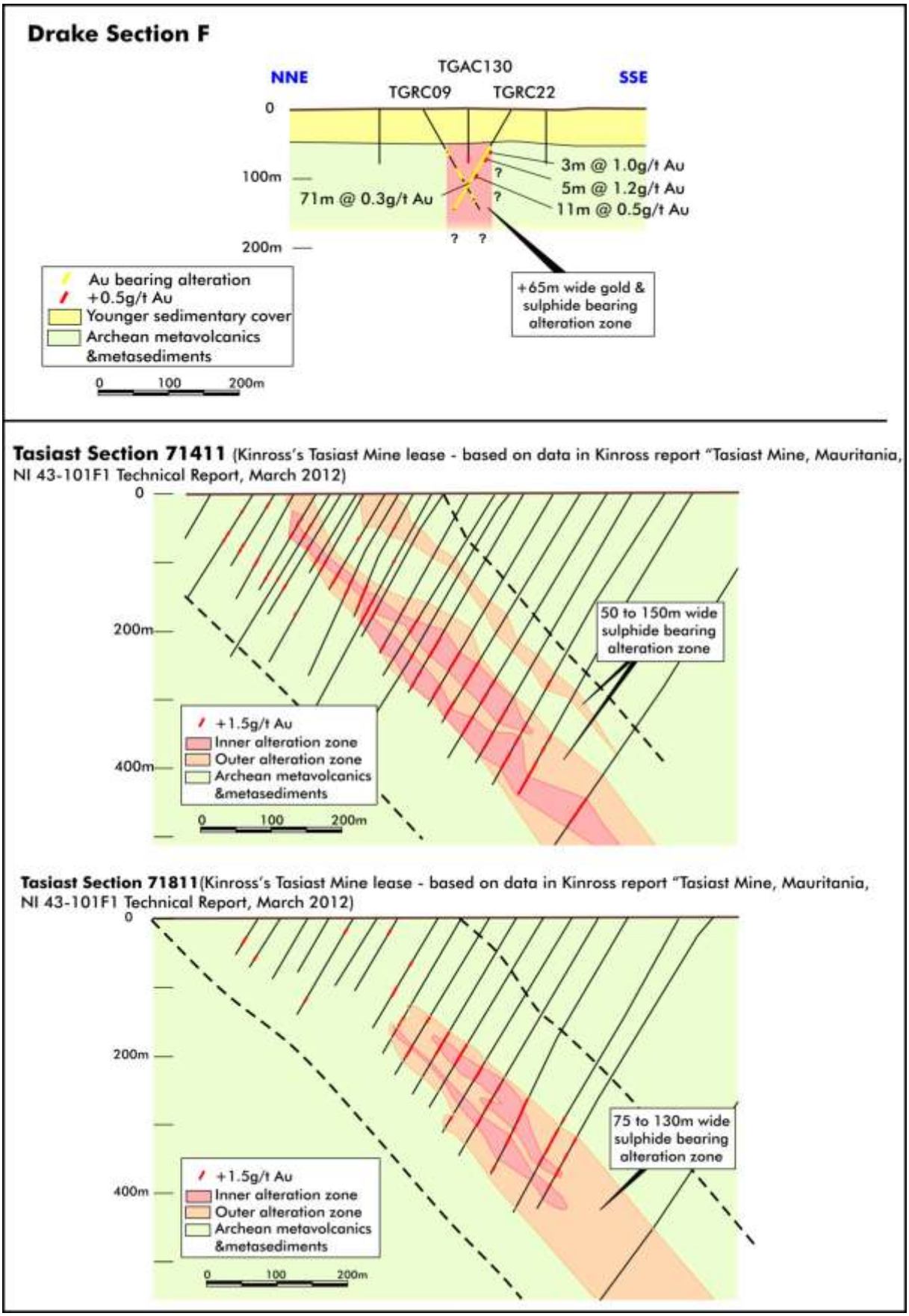

Fig. 4: Section containing Hole 22 showing alteration and gold mineralisation, and comparison with Tasiast gold mine highly mineralised and less mineralised sections

At Tasiast, more than 200,000 metres of reverse circulation and diamond drilling were drilled prior to the discovery of the bulk mineralisation that comprises the majority of the Tasiast 20 million ounce gold resource. To date Drake has drilled 5,000 metres, approximately half of which was in the Tasiast Greenstone Belt.

Progressing the Ghassariat Prospect

Drake is continuing to evaluate the extensive data collected during the busy field season in preparation for the next round of follow-up drilling.

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Competent Person's Statement

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.

Addendum: Tasiast Gold Deposit

Kinross Gold Corporation's Tasiast gold mine in Mauritania has recently emerged as one of the world's major gold deposits and serves as a model guiding Drake's exploration efforts in the region.

Following is a summary of Tasiast's key aspects and its relevance to exploration in the area.

Tasiast Regional Setting

The West African Gold province has emerged over the last decade as probably the most highly prospective gold province in the world with a gold endowment estimated at over 250 million ounces. It has yielded a succession of major discoveries in Birrimian (Lower Proterozoic), and to a lesser extent in Archaean rocks.

Despite the fact that the Reguibat Shield of Mauritania contains extensive areas of Birrimian and Archaean rocks, until the discovery of the Tasiast gold deposit it was generally not regarded as part of the West African Gold Province.

The Reguibat Shield in Mauritania is separated from the gold occurrences of the Man Shield to the south by younger rocks, principally of the Taoudeni Basin, which are now believed to lie on top of the gold-bearing Precambrian basement rocks. The emergence of Tasiast as a 20 million ounce resource clearly demonstrates the gold potential of the Reguibat Shield in Mauritania, a major significantly underexplored portion of the West African Gold Province.

Tasiast Discovery History

Commercial production at Tasiast began in 2008 based on a measured and indicated resource of 1.9 million ounces at 2.2 grams per tonne of gold. By the end of 2011, approximately 700,000 ounces of gold had been produced.

The history of resource expansion has been as follows:

		Total ounces (AU)	g/t Au
Normandy	2000	2.1	2.1
Midas	Jan-03	1.8	1.9
Defiance	Oct-03	2.1	2.7
Rio Narcea	Sep-06	2.1	2.7
Redback	Dec-07	2.4	2.1
Redback	Dec-08	4.5	1.2
Redback	Dec-09	5.7	2.1
Redback	Aug-10	8.7	2.4
Kinross	Dec-11	20.5	1.2

Gold was first recorded in the area during a regional reconnaissance survey by the Mauritanian Geological Survey (OMRG) in 1996, and the area was subsequently explored by Normandy Mining, who carried out the first drilling in the area and defined the first gold resource in 2000.

Following the acquisition of Normandy by Newmont Corporation in 2001, the permits were acquired by companies which formed Defiance Mining Corporation. In 2004 Defiance was taken over by Rio Narcea Gold Mines Ltd. In 2007 Redback Mining acquired the deposit and after further drilling and resource definition, carried out mine construction and commenced gold production in 2008.

In October 2009, Redback discovered gold in a new zone known as the Greenschist Zone adjacent to the fault related mineralisation in the Piment Zone, and in late 2009 and early 2010 reported resource additions averaging around one million ounces of gold per month.

In September 2010, Kinross completed the acquisition of Redback in a deal valued at US$7.1 billion. Kinross immediately increased exploration and over the next 12 months doubled the size of the Tasiast resource.

At March 2012, 11,392 holes had been drilled for a total of 1,207,000 metres.

The Kinross resource of 20 million ounces is based on cut-off grades of 0.6 g/t gold for CIL ore, 0.25 g/t Au for heap leach ore and 0.1 g/t Au for dump leach ore.

Geology

The Tasiast deposit differs from the majority of the gold deposits in the West African province in that it occurs in Archaean rocks and would appear to be a typical Archaean deposit more akin to the gold deposits of the Yilgarn Province in Western Australia and of the Abitibi Belt in the Superior Province in Canada. The majority of West African gold deposits occur in younger Birrimian age rocks and are typically associated with meta-sedimentary rocks. Tasiast, as is common in Archaean deposits, is associated principally with mafic metavolcanic and epiclastic rocks and banded iron formation.

The Tasiast deposits are associated with and bounded by two major structures, the Tasiast (or West Branch) shear zone in the west and the Piment shear zone in the east. The known deposits are aligned along a +10 kilometre north trending corridor and mineralisation extends to a depth of at least 740 metres.

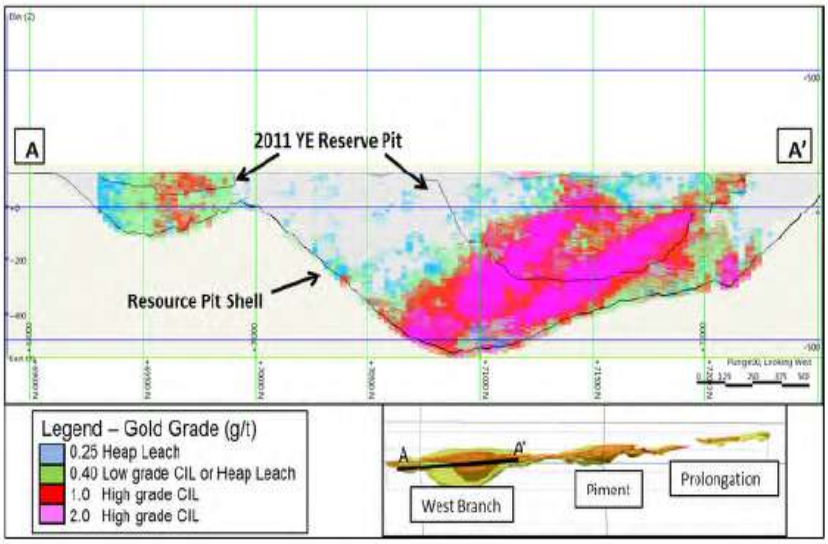
The West Branch deposits, which are in the southern half of the mine area are associated with several sub parallel faults and veins in predominantly altered mafic rock units termed the Greenschist zone. The Piment mineralisation, in the northern half of the mine area, is principally controlled by several anastomosing faults within iron formation and felsic metavolcanic/epiclastic rocks.

Mineralisation occurs within broad alteration zones containing pyrite and pyrrhotite. These alteration zones, at their widest, are 100 to 150 metres in thickness. Depth of oxidation varies from 10 to 60 metres, averaging 40 metres.

Operation

Mining is conducted by conventional open pit methods from seven pits within a strike length of 10 kilometres. Drill and blast is required on 50 per cent of oxide ore and all primary ore. Gold recoveries from the CIL plant are reported at 91 to 93 per cent, and recoveries from the dump leach operation are reported at 54 to 75 per cent.

Under the Mauritanian fiscal regime, the operation pays a royalty of three per cent of gross revenue, and income tax of 25 per cent.



Long section looking west showing gold grade distribution

Implications for Drake's exploration in the Tasiast Belt

Drake acquired its extensive permits in the Tasiast area to search for repetitions of Tasiast style mineralisation. Ground selection was based on published air magnetic data to define extensions of the Tasiast greenstone belts. The magnetic response in the area is complex due to an abundance of late stage mafic dykes of probable Tertiary and Mesozoic age intruded in association with the opening of the Atlantic Ocean basin.

After flying detailed air-magnetic surveys over selected areas and sophisticated processing Drake has been able to clearly interpret the continuation of the Tasiast and other greenstone belts onto its permits. On the Drake permits the prospective Archaean sequences lie under shallow young sedimentary cover, ranging in thickness from a few metres in the north to about 60 metres in the southernmost drilling. The cover appears to be relatively unconsolidated, but makes exploration by inexpensive surface sampling ineffective. Partly for this reason, Drake's exploration is the first to be conducted in these areas.

Key implications:

- The discovery of the Tasiast deposit has clearly demonstrated the potential for major gold mineralisation with the Archaean rocks of the Reguibat Craton in Mauritania.
- As gold deposits rarely occur in isolation, the potential for additional discoveries in the area is very high.
- The mineralisation occurs within sulphide bearing alteration zones which extend beyond the resource limits.
- As usual in gold exploration, persistence and extensive drilling in mineralised zones have been key ingredients in the Tasiast discovery.

Information in this Addendum is drawn largely from Kinross Report: Sedore M and Masterman G, March 2012: Tasiast Mine Mauritania, 43-101F1 Technical Report, Kinross website.