

28 January 2011

High gold grades reported in surface sampling at Drake Resources' Conchita prospect in Mauritania.

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- **Gold grades ranging up to 437 g/t were obtained at the Conchita Prospect during Drake's first programme of reconnaissance surface sampling in the area.**
 - **The high gold values are associated with poorly exposed quartz veins which can be traced for in excess of two km along strike.**
 - **A strongly mineralised sample (5.2 g/t gold) occurs a further 2 km directly along strike from the mapped veins, and suggests the system may extend for at least 4 km.**
 - **While outcrop is poor, locally there appears to be a number of veins over a width of +100m**
 - **Of 35 samples taken from the vein system by Drake and previous explorers, 23% returned greater than 10 g/t gold, 37% contained greater than 5 g/t gold, and 77% returned greater than 1 g/t gold.**
 - **The prospect has not been previously drilled**
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Drake Resources Limited (ASX:DRK) started its first round of exploration on three gold exploration permits awarded to it in late 2010 over 2,900 km² in the Reguibat Craton of northern Mauritania. The Reguibat Craton is the northern part of the West African Craton, which is a prolifically gold mineralised region.

Recent exploration success at the Tasiast Mine (14 million ozs gold, Kinross Gold Corporation) has demonstrated the potential of this northern part of the province.

Drake's programme consisted of reconnaissance mapping and sampling of rocks and soils. This work located a number of areas with anomalous gold values. At the Conchita Prospect, high to very high gold values were obtained in poorly outcropping and sub-outcropping quartz veins. The results of the sampling at Conchita are summarised in Figure 2 and are listed in Table 1.

Of 12 samples collected by Drake of poorly outcropping quartz veins over a strike length of +4 km, 5 assayed greater than 5 g/t gold, and all but 2 assayed greater than 1 g/t gold. Two samples returned spectacular grades of 437 g/t and 31.3 g/t gold. These results are based on screen fire assaying, a technique designed to minimise the impact of coarse gold.

Some samples from the area had been collected by a previous explorer, and by BRGM as part of the PRISM regional mapping and sampling aid program in Mauritania.

In total 35 samples have been collected from the Conchita quartz veins. Location and results are summarised in Figure 3.

Of the 35 rock samples taken on the vein system, 23% returned greater than 10 g/t gold, 37% greater than 5 g/t gold, and 77% returned greater than 1 g/t Au.

The prospect has not been previously drilled. Five shallow trenches approximately 400m apart were excavated to approximately 1m depth by a previous explorer over some of the veins. The trenches located solid quartz veins of approximately 40cm to 50cm width surrounded by narrower cm scale veins. The previous explorer reported strong gold values in 3 of the trenches with the best sample over one metre in each of these three trenches returning 10.9 g/t, 1.9 g/t, and 1.9 g/t, respectively.

Reconnaissance mapping by Drake of the outcrop and sub-outcrop of the veins has shown there to be multiple veins within a zone 100m to 200m wide.

The prospect lies within Birrimian age rocks of the Reguibat Craton. Birrimian rocks host most of the known gold mineralisation in the prolific West African gold province.

Drake's Managing Director, Dr Robert Beeson, said that the consistency of the gold grades over such a long strike extent is very encouraging. "This constitutes an immediate drill target and we are in discussion with drill contractors regarding drill testing of this target", he said.

The Conchita occurrence lies within one of three adjoining gold exploration permits that Drake holds or has under application, covering an area of 2,800 km².

Next steps

Drake plans to drill test the Conchita vein system along its length with a program of reverse circulation drilling as soon as a suitable drilling rig can be sourced. In addition a program of detailed soil sampling will be carried out to test for further non-exposed gold mineralisation in the area.

Drake Resources in Mauritania

Drake has assembled an extensive package of gold exploration permits in the emerging gold province in Mauritania. Drake currently holds eight granted, or approved for grant, permits covering 6,500 km², and a further four applications covering a further 2,900 km².

Drake recently announced the grant of a permit covering the interpreted southern extensions of the greenstone belt that hosts the Tasiast gold mine (+14 million ounces of gold). Drake understands that there has been no historical gold exploration within this permit.

In addition Drake has been awarded a permit that adjoins Gryphon Minerals Limited's Tijirit Project and covers the interpreted southern extension of the greenstone belt that hosts it. The Tijirit Project has received limited drilling, but intersections to date include 6m @ 17.63g/t Au, 6m @ 10.47g/t Au, and 2m @ 24.90g/t Au. Again there is no reported gold exploration in the Drake permit.

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

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 Acacia Resources/AngloGold portfolio in Australia.

-ENDS-

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Corporate Information

Directors

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

Issued Capital

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

60,429,231 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.

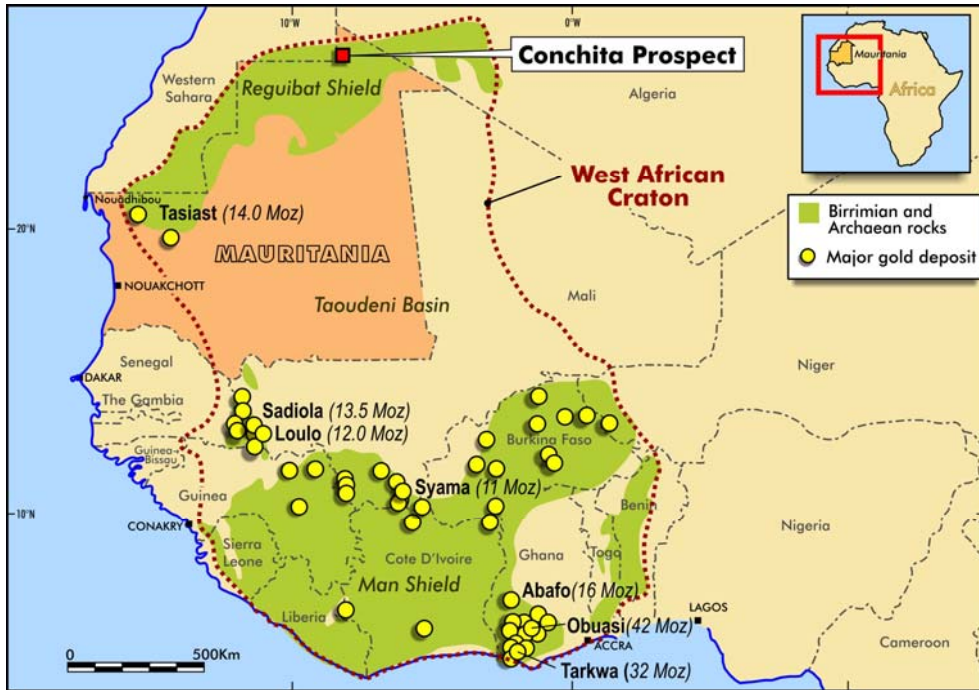


Figure 1: Location in the West African province

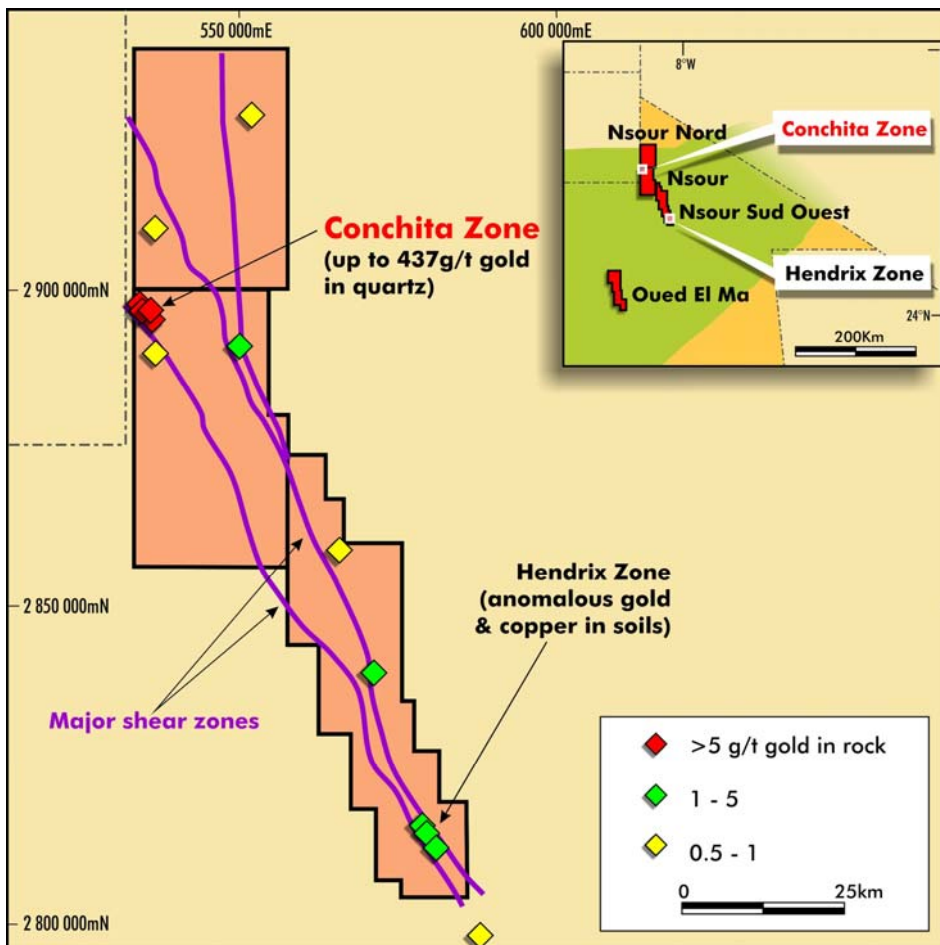


Figure 2: Drake permit and application holdings in the Conchita area.

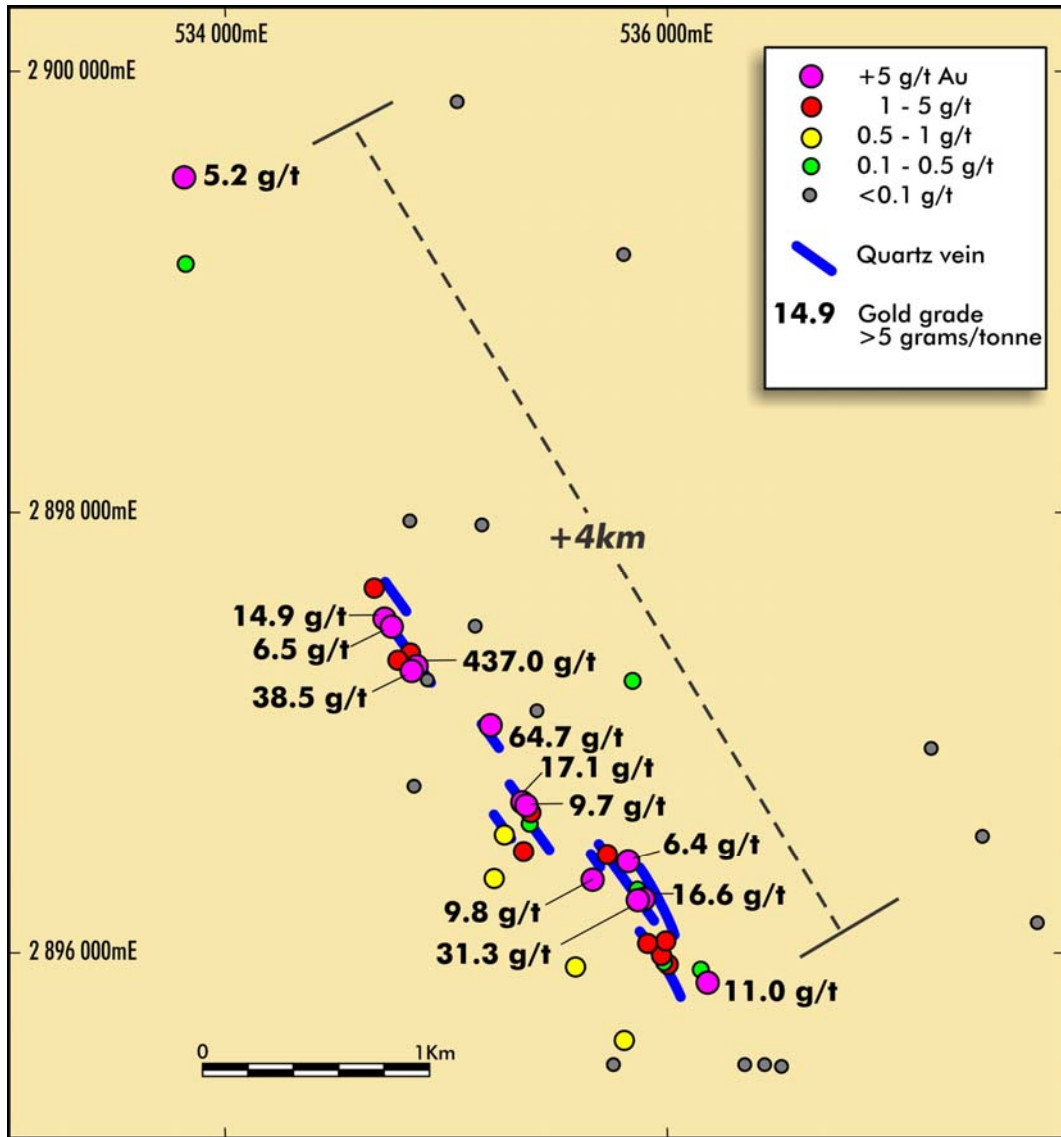


Figure 3: Conchita Prospect – surface rock sampling results

TABLE 1.

Surface rock chip sampling results - Conchita prospect.

<i><u>Au_g/t</u></i>	<i><u>Easting</u></i>	<i><u>Northing</u></i>	<i><u>Sampled by</u></i>	<i><u>Rock type</u></i>
437.0	534865	2897303	Drake	Quartz with sulphides in mafic rock
64.7	535199	2897030	Shield	Quartz with sulphides
38.5	534869	2897308	Shield	Quartz with sulphides
31.3	535893	2896249	Drake	Quartz vein in mafic rock
17.1	535353	2896694	Prism	
16.6	535889	2896250	Shield	Quartz with Fe oxides
14.9	534728	2897520	Prism	
11.0	536187	2895873	Shield	Quartz with sulphides
9.8	535674	2896338	Shield	Quartz with Fe oxides
9.7	535363	2896676	Drake	Vuggy quartz vein in granite
6.5	534753	2897485	Shield	Quartz with sulphides
6.4	535831	2896416	Drake	White quartz vein
5.2	533823	2899531	Drake	Milky quartz vein in granite
4.3	535994	2895965	Prism	
4.3	535919	2896048	Drake	Quartz vein in mafic rock
4.1	535197	2897030	Drake	Quartz with Fe oxides
4.0	534829	2897368	Prism	
3.8	535983	2895996	Shield	Quartz with sulphides & Fe oxides
3.2	534780	2897337	Drake	Quartz with sulphides
2.7	535925	2896040	Shield	Quartz with Fe oxides
2.1	535265	2896546	Prism	
2.1	535358	2896688	Shield	Quartz with Fe oxides
2.0	535382	2896649	Shield	Quartz with Fe oxides
2.0	535991	2896053	Drake	Quartz with Fe oxides in mafic rock
1.8	534678	2897659	Prism	
1.2	535354	2896471	Shield	Quartz with Fe oxides
1.0	535727	2896450	Shield	Quartz with sulphides
0.7	535912	2896055	Shield	Quartz with sulphides & Fe oxides
0.7	535270	2896542	Drake	Quartz vein in mafic rock
0.4	536149	2895925	Shield	White quartz vein
0.3	535374	2896595	Drake	Quartz vein in mafic rock
0.3	535866	2896293	Shield	Quartz with Fe oxides
0.2	533820	2899133	Drake	Quartz Vein
0.1	535997	2895965	Shield	White quartz vein with sulphides
0.03	534919	2897246	Shield	Quartz with sulphides



Conchita prospect showing typical poor outcrop.