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ASX Announcement
3 January 2014

Nordgruva Drilling Final Assays
Drake / Panoramic JV

- **Final assay results for drill hole NKSDD001 received**
- **Key result is two large 'off hole' conductors suggesting massive sulphides within hole proximity**
- **Follow up hole planned for 2014**

Drake, with its joint venture partner in the Nordgruva project, Panoramic Resources Limited, advises that assay results for diamond drill hole NKSDD001 are complete.

The objective of the preliminary hole (NKSDD001) was to investigate one of five exceptional conductors identified from a detailed airborne electromagnetic (VTEM) survey flown by Drake in 2012 and followed up with ground EM.

The down hole EM survey conducted at completion of drilling identified two significant, strong off-hole conductors at 400m and 450m (figure 2). The stratigraphic position in or close to gabbro amphibolite units, conductor characteristics and strength, suggest they could both represent massive sulphides of substantial thickness. A prior geological study has interpreted three mineralised horizons in the areas of past mining within the region (fig 1). The conductors identified in NKSDD001 appear to be coincident with the upper two of these mineralised horizons.

Anomalous zinc results within amphibolites (table 1) also correlate well with the location of the off-hole conductors and the host rock appears consistent with ore bearing units of the region. See ASX announcement 8 August 2012 for more regional details.

Hole	East	North	Dip	Azimuth	From (m)	To (m)	Width (m)	Zn (%)	Cu (%)
NKSDD001	616106	6949300	75	90	384	388	4	0.50	0.02
					400	401	1	0.51	0.11
					405	407	2	0.21	0.02
					411	412	1	0.06	*0.16

Table 1: Hole NKSDD001 assay results reveal higher zinc grades at the same depth of significant off hole EM conductor. Using 0.2%Zn cut off. *uses 0.1% Cu cut off.

It is encouraging that these anomalous base metal values correlate with the position of the upper off-hole conductor, and that they occur over a downhole thickness of 28 metres.

These anomalous values may represent a halo around more massive sulphide mineralisation within this conductor.

Nordgruva is part of the Røros mining district in central Norway which has a copper/zinc mining history extending back over 300 years from multiple sites.

Follow up drilling to test the off-hole conductor is planned in the new calendar year.

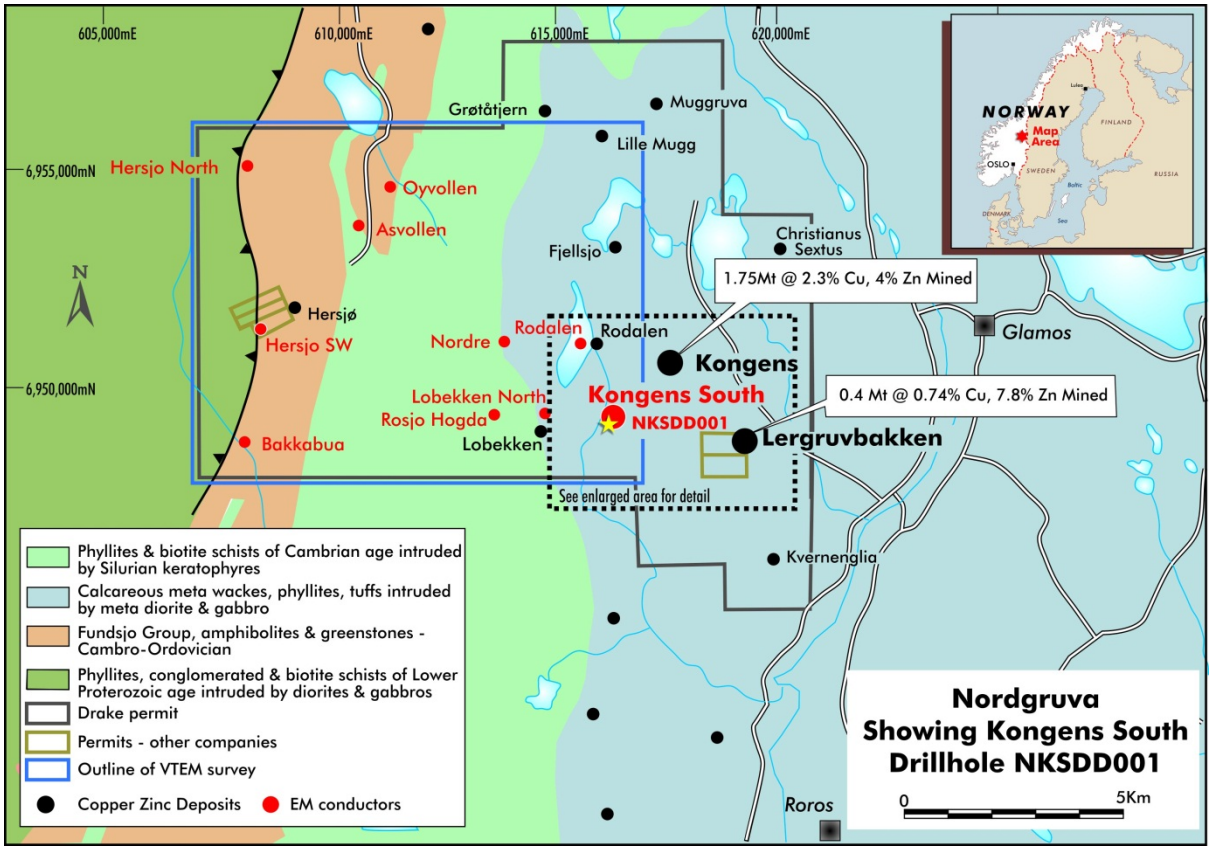

Figure One: Nordgruva JV permit area contains historical mines and numerous targets generated from modern exploration techniques.

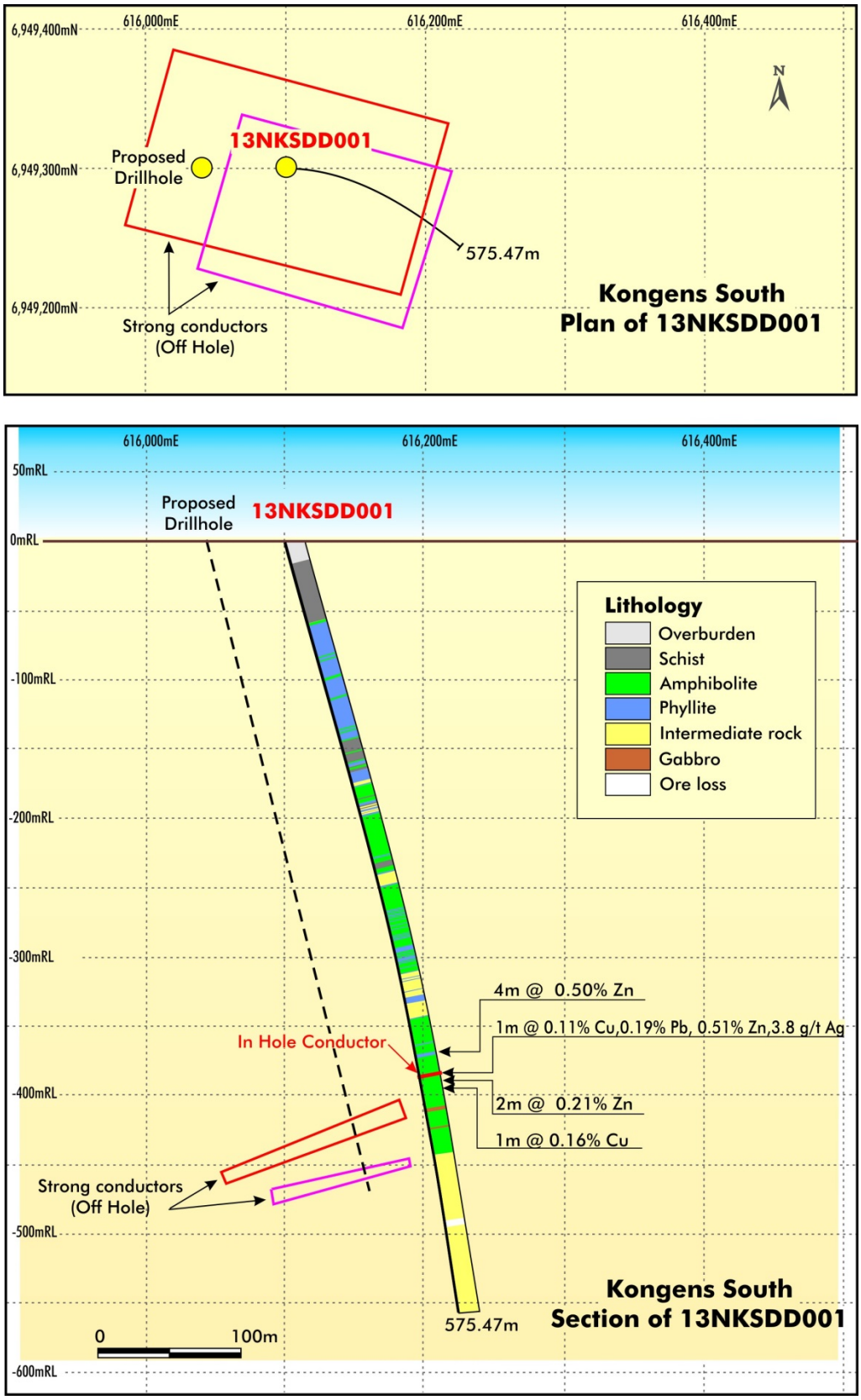

Figure Two: Plan and cross sectional view of hole with NKSDD001 assay results, proximity of strong off-hole conductors and 2014 planned drill hole.

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Competent Persons Statement

The information in this report that relates to exploration results is based on, and fairly represents, information and supporting documentation compiled by Dr Bob Beeson. Dr Beeson is a member of the Australasian Institute of Geoscientists, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Dr Beeson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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

APPENDIX 1 - JORC Code, 2012 Edition – Table 1 report template – Nordgruva Drill Results

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Diamond Core (BQ) drilled to the east at -70 degrees to intersect modelled plateassumed to be approximately horizontal.* • *The drillhole location are picked up by handheld GPS. Sampling was carried out under standard QAQC procedures as per industry best practice and includes the use of standard blanks and repeat assays.* • *Drill core was cut longitudinally with a diamond blade core saw at ALS core cutting facility inPiteå, Sweden. The half core was assayed at ALS Chemex (Piteå, Sweden Preparation Facility and Vancouver, B.C. Analytical Laboratory)* • *1m samples were collected in target depths and zones of mineralisation* from 394.00m to 418.00m and from 421.50 to 424.50m. 1.5m samples were collected from 420.00 to 421.50 and 424.50 to 426.00, 2m samples were collected from 386.00 to 394.00 and 2.50m samples were collected 448.00 to 450.50m • *Samples were crushed, dried, pulverised and split to produce a 30g sample for four acid digest and multielement analysis via ICP using method MSME61 with ppm detection limits of 0.2 for Cu,2 for Zn, 0.5 for Pb and 0.01 for Ag and % detection limits of 0.01 for Fe and S.* • *Downhole electro magnetic DHEM survey was conducted by Suomen Malmi Oy (SMOY) using a Digiatlantis probe and receiver and a GEONICS TEM67 Transmitter using a base frequency of 2Hz and a current output to the 1km by 1km loop of 11.5 Amps. Sampling downhole was at 50m in the less interesting zones and at 5m interval in the mineralised and adjacent zones. Modelling of the data was conducted using Maxwell software.*

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Diamond Core (BQ) drilled to the East at -70 degrees to intersect modelled plate assumed to be approximately horizontal.* • *Drill core at all drill sites is placed in wooden boxes, the boxes labelled according to drill hole number and metres and closed for transport.* • *Core was oriented at the end of each run.* • *Plan view and plot of drill section was done in Mapinfo/Discover using downhole survey data obtained by the drillers using Reflex survey equipment at 3m interval.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Recoveries were logged and recorded in a drilling database* • *As almost all core recovery is very good, it was unnecessary to take additional measures to improve recovery and the representivity of samples.* • *As almost all core recovery is very good, there appear to be no sampling or recovery factors that could materially bias the accuracy or reliability of the sampling results.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All core is logged at the core shack on the project site, where major lithological units, structure, alteration, and mineralogy is recorded using text, numeric codes, or percentages and entered into DHLogger daily.* • *Prior to being sampled, all core sections were photographed using a digital camera and the photos are downloaded to the main office computer.* • *The final logs include a header sheet with collar coordinates and down hole survey data.* • *There has been no geotechnical testing completed on the diamond core.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the*	• *Technicians at ALS Minerals (Piteå, Sweden Preparation Facility saw the core in half longitudinally using core saws with a diamond blade. Half core was used in all sample preparation and assays.* • *Sample lengths are based on lithologic units and range from 1.0m to*

Criteria	JORC Code explanation	Commentary
	sample preparation technique. • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	*2.0m. Standards or blanks are inserted for every 20 samples.* • *Drill core samples analysed at ALS Chemex were first prepared at ALS' preparation lab in Pitea, Sweden. There samples were logged in their tracking system, then weighed and the entire sample was fine crushed to better than 70% -2mm. A split off 250 gram sample was then pulverized to better than 85% passing 75 microns. These pulps were then shipped to Vancouver, B.C by commercial aircraft for completion of analytical work.* • *Sample sizes are considered appropriate to give an accurate indication of mineralisation.* • *No field duplicated were taken*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *ALS Minerals: analysis for 48 elements by four acid digest and using method MEMS 61and ICP* • *Quality Assurance/Quality Control (QA\QC) according to the ALS Minerals Quality Management System included standards and blanks routinely inserted into the sample stream with at least one standard sample inserted per sample batch submitted to the laboratory.* • *Single samples of certified reference material and blank material were added to the 48 sample stream. The certified reference material consisted of standards named OREAS 22b, a quartz, gold, base metal blank and OREAS 45P a soil developed over a Cu,Ni, platinoid deposit in Western Australia,which were certified by Ore Research and Exploration , Bayswater Nth, Victoria, Australia. Checks of actual against certified results for Cu, Pb, Zn and Ag are all within 5%.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *An independent geologist and technical personnel at Drake Resources visually verified significant intersections of the core.* • *Primary data was collected using a standard excel template with lookup codes* • *Assay results for samples and quality assurance/quality control (QA/QC) materials are entered into the IO Global database when received. All assay and QA/QC results are received electronically and uploaded.* • *No adjustment of assay data, nor twinned holes were undertaken.*
Location of	• *Accuracy and quality of surveys used to locate drill holes (collar and*	• *Collar locations for the l drill hole were established using a handheld*

Criteria	JORC Code explanation	Commentary
data points	*down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	*Global Positioning System (GPS) with an accuracy of approximately 3m.* • *A Reflex survey instrument was utilized for surveying deviations of drill hole. Surveys were progressively taken typically at 3 metre increments down the hole.* • *Drill hole collar location are surveyed in Universal Transverse Mercator (UTM) coordinates, WGS84 UTM Zone 32N.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Single Diamond hole.* • *Sample lengths are based on lithologic units and range from 1.0m to 2.5m.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *The orientation of mineralised structures has not been ascertained and therefore no orientation based sampling bias has been identified in the data at this point.*
Sample security	• *The measures taken to ensure sample security.*	• *Core was logged and stored at a core shed in Roros prior to its collection by ALS or ALS contractors who delivered it to the Piteå drill site where it was cut, sampled prepared and then despatched by airfreight to Vancouver Canada for analysis.* • *Once the core has been cut, the unused core and half core was returned to Drake's secure core shed in Falun Sweden.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *No audits or reviews have been conducted at this stage.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *Nordgruva is part of the 100% Drake owned Roros exploration claims (Roros 1 – 13) covering 128 square kilometres, in the historical mining district of Roros in central Norway. Drake's Roros claims are covered by a joint venture arrangement with Panoramic Resources under which Panoramic can earn-in to 70% ownership by reaching certain spend targets.* • *The claims were issued 15th March 2011 and have a duration of 7 years. An extraction licence is required to secure ongoing tenure over any resources established on which development may be anticipated.* • *The hole was drilled on Roros # 11* • *Verbal advice from the Norwegian Mining Directorate is that there are no prior claims or mining titles and that there are no environmental liabilities other than for work programs conducted by Drake during the tenure of the claim.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Prior exploration in the district has been conducted by Roros Kobberwerk in the 1960s and 1970's around the Kongens Mine and by Intex in the 1990's and early 2000's at and around the Lergruvbakken Mine, both used ground geophysics followed by diamond drilling. Mine production records from the Kongens Mine and Lergruvbakken Mines were obtained from the Norwegian Geological Survey (NGU).* • *The Kongens South Fixed Loop EM conductor drilled had not previously been identified or drilled by these groups.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The Kongens Cu Zn and Lergruvbakken Cu, Pb, Zn mines occur within grey brown quartz biotite phyllites with hornblende and quartz rich layers of the Aursund Group and Røsjø Formation that have been intruded by gabbro sills, metamorphism is of amphibolite grade. Mineralisation is dominated by the sulphides pyrite, pyrrhotite, chalcopyrite and sphalerite with galena present at Lergruvbakken*

Criteria	JORC Code explanation	Commentary
		which occur in both massive and disseminated form and are contained within chloritic altered sediments adjacent to and within gabbro/amphibolite sills. The closest modern day analogue would appear to be the Bent Hill black smoker and associated sub sea floor replacement deposits in the Juan de Fuca Ridge of the Vancouver BC Canada coast. • *The area has been substantially deformed during the Caledonide orogeny with mineralisation and host rocks contained with thrusts and knappes.* • *Mineralisation at Kongens South within the Rørøs Nordgruva area is expected to be of similar type.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *Refer to table in body of text*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *No top cuts have been applied to Table A, and the composite grades are simple length weighted averages.* • *No metal equivalent values are used* • *Cut offs of 0.1% Cu and 0.2% Zn*
Relationship between mineralisation	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole*	• *The orientation of mineralised structures has not been ascertained and therefore no orientation based sampling bias has been identified*

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	*angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	*in the data at this point.*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Refer to figure in body of text*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *All mineralised intercepts are reported in Table A.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *A VTEM survey over the broader area identified numerous anomalies within the Roros claim area. The particular target chosen for this hole was a very large and deep ground based Fixed Loop EM conductor* • *No metallurgical work has been conducted*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *The 2014 workplan includes drilling of the near hole conductors at 400m and 450m down hole mentioned in the body of the text.*