



ASX Announcement
31 July 2012

Drake secures rights over two significant copper-zinc mines in Norway

- **strategic acquisition of exploration rights over two claims containing Joma copper-zinc mine**
 - **production (1972-1998) was 11.5Mt ore @ 1.49% Cu & 1.45% Zn**
- **considerable copper-zinc mineralisation remains at mine**
- **ability to obtain 100% interest from Joma Naeringspark commercial arm of Røyrvik Commune**
- **highly prospective claims also granted covering strike extensions of Joma mineralisation**
- **additional prospective claims covering Gjersvik copper zinc mine**
- **acquisition strengthens company's strategy to build valuable portfolio of precious & base metal projects in Scandinavia**
- **exploration will commence with airborne magnetic survey over Joma mine & extensions during August**

***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 (ASX:DRK, Drake) has acquired important exploration rights to some 100 square kilometers of highly prospective copper and zinc ground in the Grong District of Nord Trondelag in Norway known as the Gjersvik Project (Figure 1).

The company finds this project particularly attractive as the rights are located in a proven and significant mining area, are close to infrastructure and have not had the benefit of modern exploration technologies.

This acquisition is in line with the company's strategy to build a valuable portfolio of precious and base metal resources in Scandinavia.

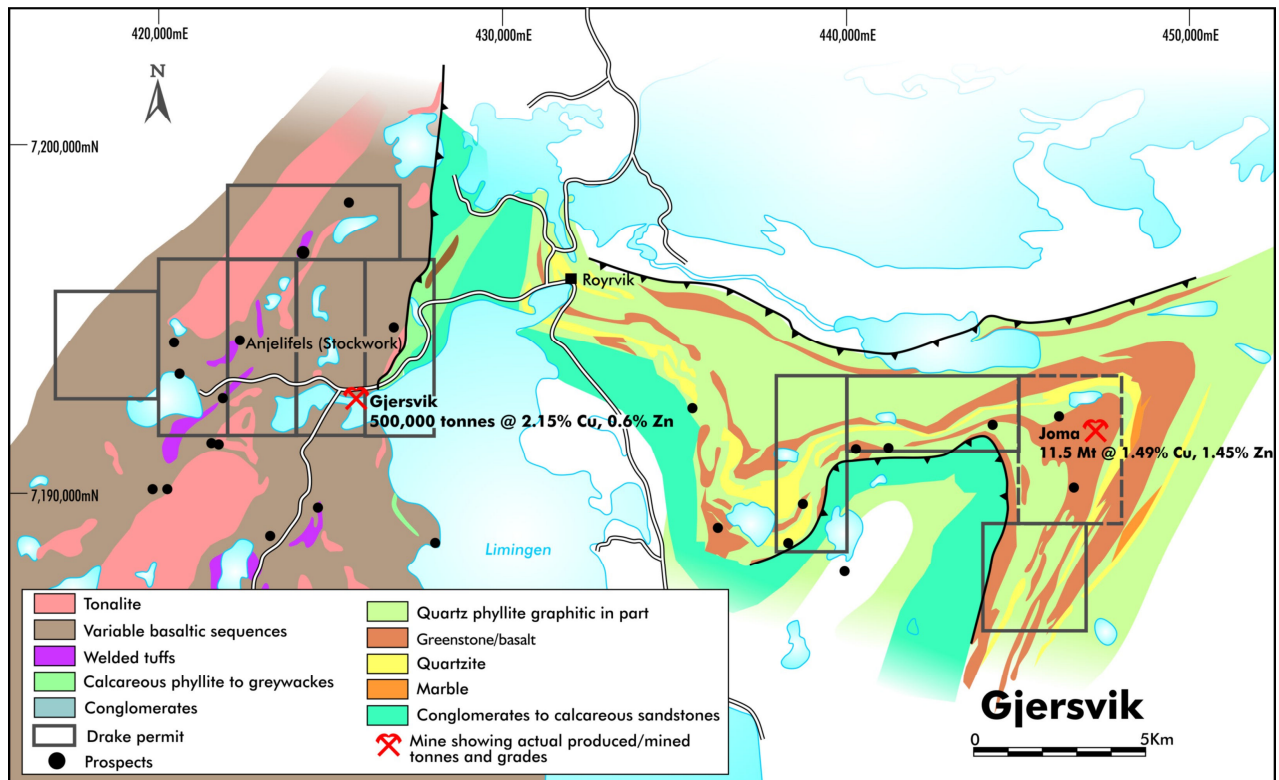


FIGURE 1: Drake claims relative to geology and mine locations
Joma Naeringspark claims outlined with dashed line

The rights include:

- Nine 100% Drake claims including the historic Gjersvik mine
- Exploration and Exploitation (Mining) Agreement over the Joma mine, which closed in the 1990s

"The Joma-Gjersvik Project provides an exciting addition to Drake's portfolio of advanced projects in a proven and not fully exploited mining district", explains Drake's Managing Director, Dr Bob Beeson.

"We are happy to be working closely with the local community. Our joint strategy is to discover deposits, using Drake's expertise and modern technologies, which could support a new project development in the highly prospective region.

"Our exploration programs' aim is to add to the considerable mineralisation left in the mine when it closed due to low copper prices", added Bob.

Agreement

The Exploration and Exploitation Agreement has been signed with Joma Naeringspark (JN), the commercial branch of the Røyrvik Commune and the owners of two claims which contain the Joma mine/project.

Under the terms of the Exploration and Exploitation Agreement with Joma Naeringspark Drake will have an exclusive right to explore the claims to end 2015 and will:

- Pay Norwegian Kroner (NOK) 75,000 (~A\$13,000) to JN on signing the agreement and commit to a NOK 250,000 (~A\$42,000) exploration program in calendar 2012 on the two JN claims, commencing with a helicopter borne aeromagnetic survey in August 2012
- Have the right to withdraw from the agreement at the end of 2012 or anytime thereafter
- Undertake, should it commit to continue, to pay NOK 75,000 to JN at the start of each calendar year to end 2015 and spend NOK 750,000 (~A\$130,000) on exploration in each year to end 2015
- Undertake to employ locally where possible.
- In December 2015 Drake can exercise a right to apply for an extraction licence in its sole name in exchange for a 1% NSR royalty payable to Joma Naeringspark.

Geology

The Joma mine sits within the Leipikvattnet nappe which is composed of three major greenstone units comprising basalt and pillow lavas intercalated with quartzitic and graphitic phyllites. The greenstones are named (from northeast to southwest), the outer, middle and inner greenstones. The mineralisation is hosted within the middle greenstone unit. The metamorphic grade is upper greenschist facies.

The Gjersvik project is hosted by metabasalts of the Gjersvik nappe which is structurally above the Leipikvattnet nappe.

Mineralisation

The Joma Naeringspark claims encompass the Joma mine and its prospective westerly and southerly strike extensions. A total of 11.5million tonnes was mined at Joma from 1972 to 1998 at a grade of 1.49% copper and 1.45% zinc (Source Grong Gruber/Geological Survey of Norway, NGU).

A plan view of the distribution of copper mineralisation at Joma is shown in Figure 2 below.

The 100% Drake claims include the Gjersvik project where 500,000 tonnes of ore grading 2.15% copper and 0.6% zinc was mined from 1994 to 1998 (source Grong Gruber/Geological Survey of Norway, NGU).

The 100% claims also cover strike extensions of the geology which hosts the Joma Mine.

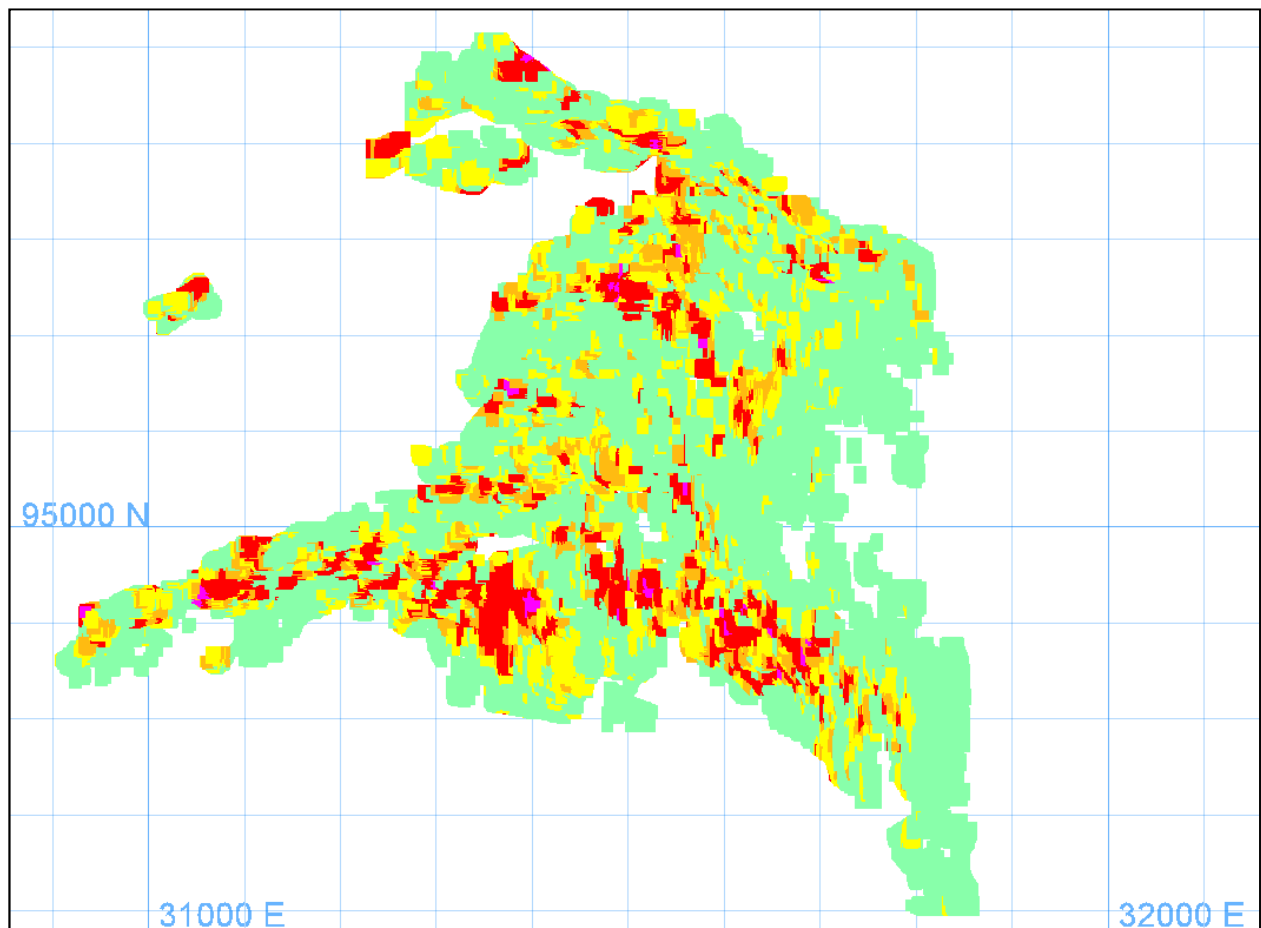
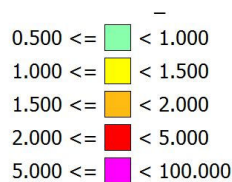


FIGURE 2: Plan view of Cu grades in the Joma mineralisation



Infrastructure & Programs

The previous mine buildings remain in place, although the processing equipment has been sold. Access to the underground workings remains but the mine is flooded.

Proposed programs for 2012 include a detailed airborne magnetic survey over Joma to identify structures and extensions of the (magnetic) pyrrhotite ore (Figure 3). High quality targets would be followed-up with ground gravity and EM depth soundings, and ultimately drilling where warranted.

A proposed electromagnetic survey over the Gjersvik area is currently being reviewed and is subject to funding.

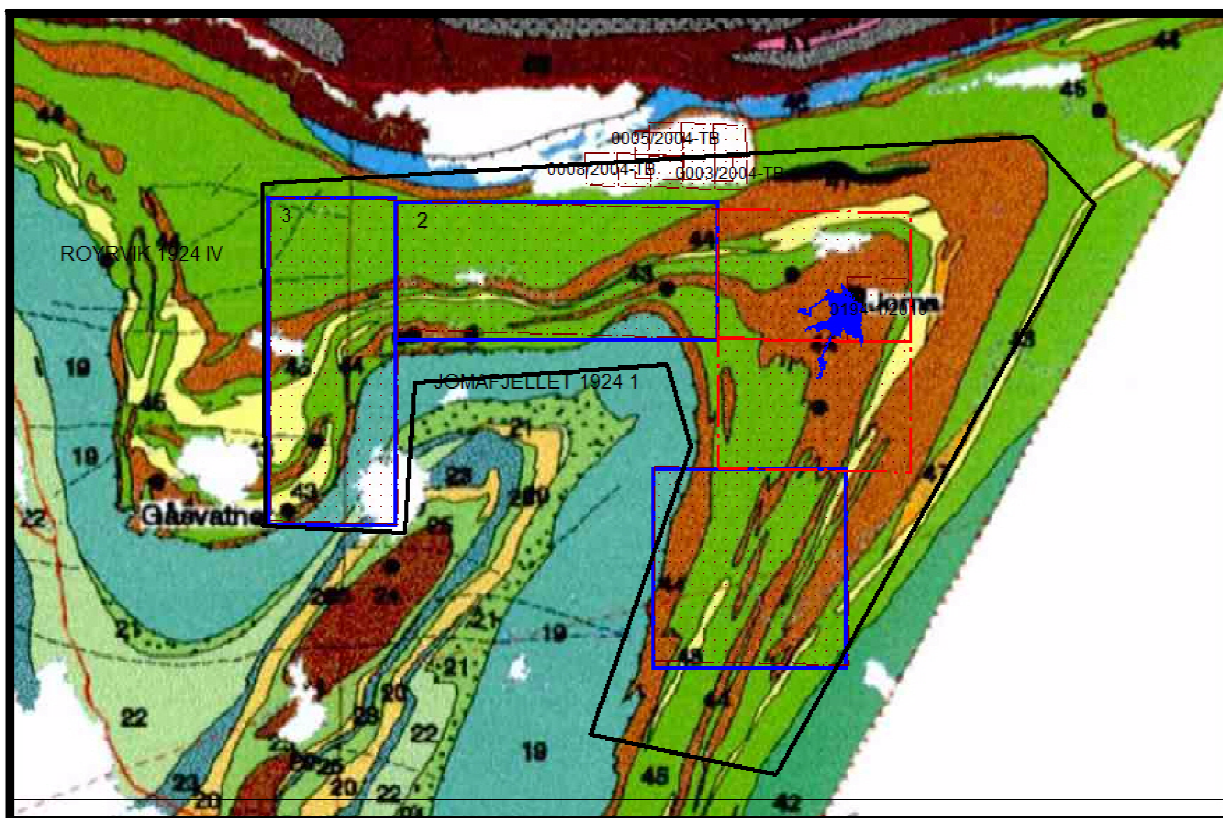


FIGURE 3: Drake's Joma claims (blue), Joma Naeringspark Claims (red) and Joma mineralisation (blue) on Norwegian Geological Survey geology showing proposed airborne magnetic survey outline (black). Host basalts are brown.

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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.