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**ASX Announcement**  
6 January 2014

## **Drake expands gold mineralised footprint in Guinea**

- **Drake acquires abundantly mineralised area adjacent to its Seimana prospects**
- **Adjacent to, and along strike from, Avocet's 3M+ oz Tri-K gold deposits**
- **Preliminary work to select 2014 drill targets to commence immediately**

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Drake Resources Limited (ASX: DRK) has entered into an option to purchase agreement on a 236km<sup>2</sup> area adjacent to Drake's Seimana project (fig 1) which is under a similar option arrangement.

The new area will form part of Drake's existing Seimana Project which has generated very encouraging results to date. In July 2012 Drake announced the results of a soil and termite sampling programme. Many strong gold anomalies up to 2.9 g/t gold in soil were identified. Drake's CEO, Jason Stirbinskis said "the occurrence of artisanal workings in this new area, many of them mining gold-bearing quartz veins, is extremely encouraging. It is remarkable that such an extensive area of artisanal workings, a dozen kilometres along strike from Avocet's 3M+ oz Tri-K gold deposits, has never been drilled. For these reasons we are excited about this major addition to our ground holdings".

Drake has also relinquished the western section of the Seimana project as this area has not shown significant prospectively based on soil sampling and mapping results.

### **Regional Potential**

The area lies within the prolifically mineralised West African gold province that has yielded a steady stream of gold discoveries over the past decade. Drake's permits are adjacent to, and located seven kilometres along strike from, Avocet's rapidly emerging Tri-K deposits on which resources of 3.2 million ounces<sup>1</sup> of gold have recently been announced and are the subject of feasibility studies. Located within 150 kilometres of Drake's project are the major deposits of Siguiri (AngloGold) and Lero. Other substantial deposit within 100 kilometres are Kouroussa, Kiniero, Mansounia, Kodieran, Yanfolia, and Kalana.

1: Avocet 2012 Annual Report, p23

**Agreement Terms**

The key elements of the agreement are:

- The area is composed of 3 permits of roughly equal size with option payments on each permit of:
  - On commencement: US\$10,000 to be paid in 2 instalments, with the second instalment of \$6,600 due mid 2014.
  - 1<sup>st</sup> anniversary : US\$20,000
  - 2<sup>nd</sup> anniversary: US\$25,000
  - 3<sup>rd</sup> anniversary: US\$30,000
- At any time Drake can elect to purchase 100% of each permit for \$100,000 less any option payments made.
- Royalty of US\$10.00 for each ounce of gold mined from the permits

Drake Resources’ project team includes resident and expatriate professionals with strong local knowledge and operational experience in West Africa. The presence of artisanal gold workings will allow the project to move quickly to drill testing. The immediate plan is to map and sample artisanal workings in the area to help prioritise drill targets and to supplement targets established from the 2012 sampling program. A drill program of highest priority targets is planned for early 2014.

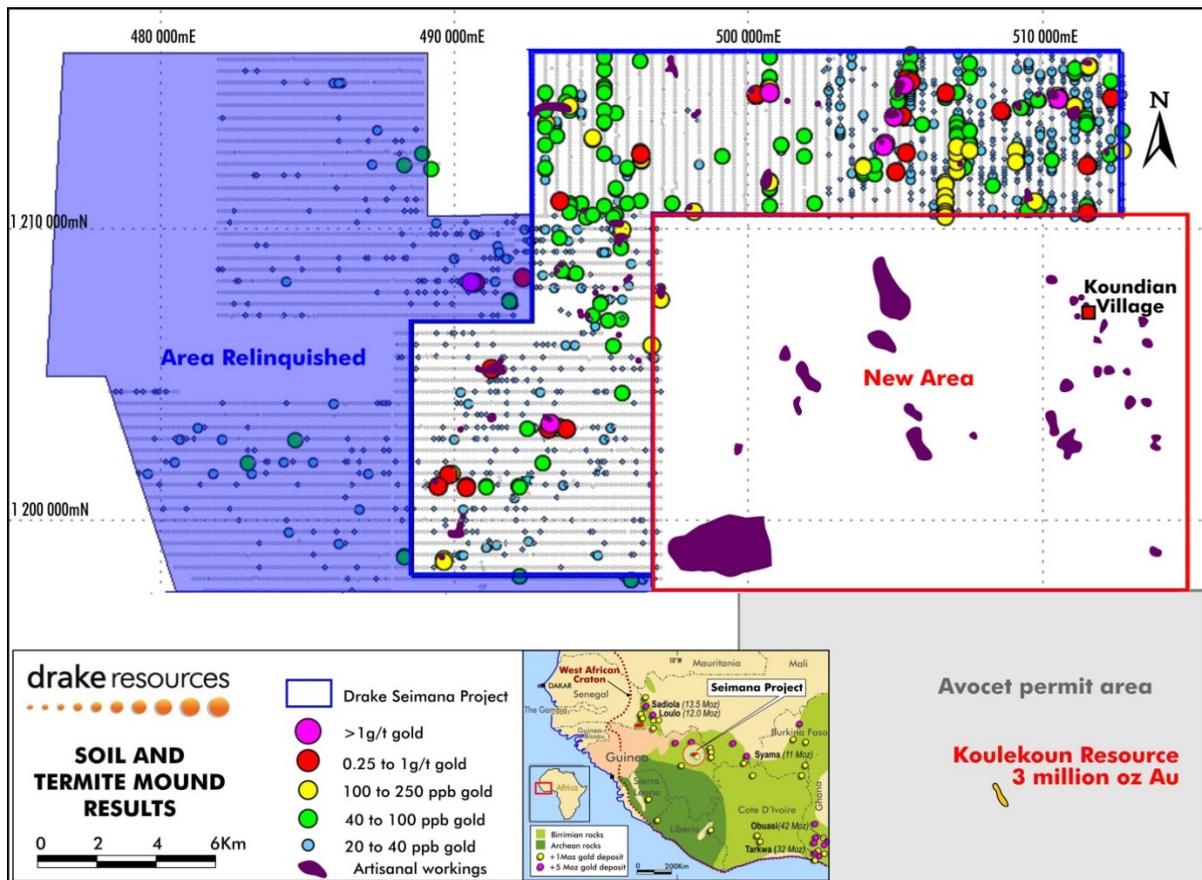


Figure One. Drake’s Seimana Project and recently acquired area.

Mr Stirbinskis added “Seimana is one of three high priority projects for Drake, the others being our Granmuren near-surface nickel/copper sulphide project in Sweden and our Joma copper/zinc project in Norway. Seimana has produced some spectacular early results and the new area appears to be equally, if not more prospective, for near surface gold”.

### **Competent Persons Statement**

*Dr Bob 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 Beeson is a Director of Drake and consents to the inclusion in the Announcement 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 Mining and Metallurgy.*

### **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*

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*Photos of recently acquired area: a & d - artisanal mining sites; b- line of artisanal shafts along mineralised vein; c – quartz veining*